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ROK Ministry Briefs ASEAN Envoys on KEDO

SK2810073495 Seoul YONHAP in English 0530 GMT 28 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 28 (YONHAP) — The Foreign Ministry on Friday briefed the seven ambassadors from the Association of Southeast Asian Nations (ASEAN) in Seoul on the progress of negotiations between the Korean Peninsula Energy Development Organization (KEDO) and North Korea, aimed at concluding a light-water reactor supply contract.

Meeting with the seven envoys, who comprise the ASEAN Committee in Seoul, First Foreign Deputy Minister for Asia-Pacific Affairs Yi Chae-chun also solicited the ASEAN member countries' participation in and contribution to KEDO, a spokesman for the Foreign Ministry said Saturday.

The two sides, meanwhile, agreed to positively support the establishment in Seoul of an ASEAN Promotion Center for the purpose of furthering relations between South Korea and ASEAN, according to the spokesman.

It was also agreed at the meeting that the Foreign Ministry and the ASEAN Committee in Seoul will hold four regular meetings annually to discuss cooperation in trade, investment and tourism, the spokesman added.

High-Level KEDO Talks on Reactors Resume

SK3110024695 Seoul YONHAP in English 0229 GMT 31 Oct 95

[FBIS Transcribed Text] New York, Oct. 30 (YONHAP) — The Korean Peninsula Energy Development Organization (KEDO) and North Korea resumed their high-level talks aimed at concluding a light-water reactor supply contract here Monday afternoon.

In the meeting held at KEDO headquarters, the two sides attempted to reach a compromise on such issues as the scope of additional facilities to be included in the supply contract and the terms under which North Korea will pay for the reactors, KEDO sources said.

Attending the talks were six delegates from each side. The KEDO delegation was headed by its executive director Stephen Bosworth (the United States), deputy executive directors Choe Yong-chin (South Korea) and Itaru Umezu (Japan) and one additional official representing each of the three countries. The North Korean team was led by ambassador-at-large Ho Chong.

They agreed to decide Tuesday whether or not to continue the high-level talks, according to KEDO sources.

As to North Korea's demand that KEDO provide the North with power distribution facilities in addition to two light-water reactors, KEDO reportedly offered to arrange for North Korea to secure a loan from the World Bank or the Asia Development Bank which the North Koreans could use to build the power distribution facilities themselves.

The high-level talks went into recess last Thursday to allow representatives a chance to hold consultations with their respective governments.

KEDO, DPRK Agree To Attach Annex to Pact

SK2910025795 Seoul YONHAP in English 0239 GMT 29 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 29 (YONHAP) — An international consortium responsible for construction of two light-water nuclear reactors in North Korea under the U.S.-North Korea agreement reached in Geneva last year and North Korea have agreed to attach an annex to the reactor supply contract in a bid to expedite the reactor supply negotiations.

In their high-level talks held in New York Oct. 16-26, the Korean Peninsula Energy Development Organization (KEDO) and the communist country agreed to expedite reactor supply negotiations and prepare an annex to cover details of the reactor project not covered by the main supply contract, an official of South Korea's office of planning for North Korea's light-water reactor project said.

The two sides also agreed to adjourn the high-level meeting to refer what was agreed on to their home governments and to resume the meeting in New York Monday.

What will be included in the annex will be discussed in the expert-level talks, and as North Korea offered to attach the annex to the main contract, the reactor supply negotiations will be efficiently carried out, the official said.

The main contract will thus cover the signatories to the contract, the construction costs to be provided by the KEDO and the terms of North Korea's repayment, the North's administrative support and services, and the communist country's implementation of the Geneva agreement, he remarked.

The KEDO will initially specify estimated or provisional costs in the contract and will adjust them on a cost-accruing basis as the project proceeds.

To preclude any future debates on the scope of reactor supply, the KEDO will press for specifying every detail of the reactors to be supplied in the contract.

In the high-level talks, they chiefly discussed five issues — the scope of reactor supply, terms of North Korea's repayment of construction costs, safety control and compensations for losses due to accidents during and after the project, the North's freeze on its nuclear development program and acceptance of international inspections of its nuclear facilities and the KEDO's right to announce the project's process.

KEDO Accepts Part of DPRK Facilities Demand

SK3110032395 Seoul CHOSON ILBO in Korean 31 Oct 95 p 2

[Report by Kim Yon-kwang]

[FBIS Translated Text] It was learned on 30 October that of the additional facilities for light-water reactors demanded by North Korea, the Korean Peninsula Energy Development Organization [KEDO] will accept the construction of roads and a port; the securing of the water and electricity required for the construction of light-water reactors; and the construction of the workers' lodging quarters. The government has maintained thus far the position that it cannot accept additional expenses aside from the project as recognized by international practices, such as the creation of a building site.

A relevant government official stated that "with KEDO's recognition of North Korea's demand for additional facilities as the investment for the preconstruction of the infrastructure, ongoing negotiations in New York between KEDO and North Korea for the conclusion of the agreement on the provision of light-water reactors are making remarkable progress."

This official said that "the amount of expenses required for the construction of light-water reactors, which is estimated to be $4 billion in consideration of the expanded scope of light-water reactor provision and of the price increase, will further increase drastically."

KEDO Seeks Members From ASEAN Countries

OW0211112895 Tokyo KYODO in English 0757 GMT 2 Nov 95

[FBIS Transcribed Text] Bangkok, Nov. 2 KYODO — A multinational consortium to build two nuclear reactors in North Korea is seeking support and cooperation from members of the Association of Southeast Asian Nations (ASEAN) to join the consortium as full members, a Japanese official visiting Thailand said Thursday [2 November].

Tetsuya Endo, the Japanese ambassador in charge of the Korean Peninsula Energy Development Organization (KEDO), is currently on a mission to Thailand and other ASEAN countries.

"We are seeking cooperation from Thailand on activities of the Korean Peninsula Energy Development Organization and the (Thai foreign) minister responded to our wish in a forward-looking manner... [ellipses as received] We asked for continuous support from Thailand," he told KYODO NEWS SERVICE after a courtesy call on Thai Foreign Minister Kasemsamoson Kasemsri.

"Not only financial support, we asked Thailand and other ASEAN (countries) to join us as full members," U.S. Charge d'Affaires Ralph Boyce added.

The Thai minister advised KEDO to persuade more European countries, especially France, to join the program and membership as well, Kasemsamoson said.

Boyce and Korean Ambassador to Thailand Chong Tae-tong accompanied Endo during the courtesy call.

KEDO, founded by Japan, South Korea and the United States last March, also includes as members Australia, Canada, Finland and New Zealand.

The Japanese official visited Brunei and the Philippines prior to Thailand and will next travel to Malaysia, Singapore and Indonesia.

Thailand had announced donations of 300,000 dollars to KEDO in mid-September.

More than a dozen countries have already donated to KEDO, according to the ambassador.

Under an accord with the U.S. signed in October last year, North Korea pledged to freeze and eventually dismantle its current nuclear program, which is suspected of serving military purposes, in exchange for alternative energy sources and two modern light-water reactors that produce less plutonium. KEDO was formed to provide the reactors and alternative energy sources.

Japan

Officials: Stance 'Unchanged' for Aviation Talks

*OW0211091395 Tokyo KYODO in English
0840 GMT 2 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 2 KYODO — Japan and the United States have agreed to hold three days of talks on the cargo airline business starting Nov. 28 in Washington, Transport Ministry officials said Thursday [2 November].

On the table is whether Japan will allow new air routes to U.S. air carriers based on so-called beyond rights given them under the 1952 bilateral aviation accord. The rights enable them to operate flights to third countries after landing in Japan.

The upcoming negotiation round will be at the level of section chiefs, the officials said.

Japan has been reluctant to approve any new beyond rights, saying the accord has become outdated and it now does not provide fair ground for competition.

According to the officials, the Japanese stance on the issue has been unchanged since the first round of talks in September, when Japan proposed that the two countries allot two more new air cargo routes to each other.

The U.S. side, though, maintained the number on new participation should not be restricted, while continuing to demand the use of beyond rights, saying those are unconditionally given to the U.S.

Further on Perry, Government Officials Meetings

*OW0111150195 Tokyo KYODO in English
1427 GMT 1 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 1 KYODO — U.S. Secretary of Defense William Perry stressed the importance of the U.S.-Japan security arrangement Wednesday [1 November], but remained open to proposals for reorganizing the U.S. military presence in Japan.

Perry arrived in Japan on Tuesday for a three-day visit with Japanese officials amid a growing Japanese outcry demanding changes in the bilateral security agreement and for reductions in the U.S. military in Okinawa.

Perry and Prime Minister Tomiichi Murayama agreed Wednesday that the United States and Japan should issue statements stressing the importance of their alliance when U.S. President Bill Clinton meets with Murayama in Tokyo on Nov. 20.

Perry also emphasized to Murayama the need for the U.S. to maintain 100,000 forward-deployed troops in the Asia-Pacific region, including 47,000 in Japan, to fulfill its responsibilities under the Japan-U.S. Security Treaty.

About 30,000 troops are stationed in Okinawa, where a schoolgirl was raped in September allegedly by three U.S. servicemen. The U.S. facilities there take up about 20 percent of the space in Okinawa and comprise about 75 percent of U.S. military facilities in Japan.

Earlier Wednesday, Perry met Foreign Minister Yohei Kono and Defense Agency Head Seishiro Eto and agreed to set up a new mechanism to discuss the realignment and consolidation of the bases in Okinawa.

Kono and Eto, touching upon a proposal by the parties of Japan's ruling coalition to curb the U.S. military presence in Okinawa, urged efforts by Washington to consolidate the U.S. bases.

The new mechanism will be set up under a so-called "two-plus-two" meeting of Japanese and U.S. defense and foreign ministers and the specifics of the forum will be ironed out at working-level talks before the Clinton-Murayama talks on Nov. 20.

In the new forum, the Japanese side will be represented by senior officials of the foreign ministry and the defense agency, while the U.S. side will consist of assistant secretaries from the State Department and the Defense Department.

In Wednesday's meetings, Perry expressed reluctance to revise the Status of Forces Agreement, saying that instead of revising the accord the two sides should seek to solve problems relating to U.S. bases through discussions at the existing Japan-U.S. joint committee.

Japan and the U.S. agreed last week to make a change in the implementation of the status of forces pact, enabling Japanese authorities to have U.S. service personnel suspected of such serious crimes as rape and murder handed over to them before indictment.

At a press conference at the Japan National Press Club, Perry said that under the terms of the agreement, the U.S. is "open to making adjustments of procedures, adjustments in a particular base deployment that could involve reducing the size of bases, that could involve moving one base within another within Japan."

He added, "This is a decision that needs to be made jointly by Japan's government and the U.S. It is not anything that the U.S. can decide unilaterally."

While expressing "deep sorrow and anger" over the rape of the schoolgirl, Perry said he thinks the U.S. responded "quickly and effectively" to the anger in Okinawa over the incident, which prompted a rally drawing 85,000 participants late last month.

The abduction and rape of the girl triggered a storm of protests in Japan for cutbacks of U.S. military bases in Okinawa and for a revision of the Status of Forces Agreement.

Okinawa Gov. Masahide Ota has refused to sign new land-lease contracts required to maintain U.S. bases on the island.

Murayama told the U.S. defense secretary he is planning to meet Ota on Saturday and hopes to reach a breakthrough on the matter.

Perry is to leave for Seoul on Thursday.

Eto-Perry Accord Under Fire From Local Residents

OW0211071895 Naha OKINAWA TIMES in Japanese 2 Nov 95 Morning Edition p 26

[FBIS Translated Text] In reaction to an agreement reached on 1 November between Foreign Minister Kono and Defense Agency Director-General Eto, and the U.S. defense secretary on promoting the return of land being used for U.S. military bases, officials of local cities, towns and villages criticized the accord, saying: "It's a far cry from the realignment and reduction of bases, and the content of the agreement is unconvincing."

Kaoru Kyan, village chief of Nakagusuku, where Camp Zukeran is located, said "what has been agreed upon has already been confirmed before, and it is a matter of course that bases will be returned at an early date." He added: "Since I think that all the bases on Okinawa should be returned deliberately by the early 21st Century, we cannot accept the accord. They agreed to set up a new consultative body to come to grips with other base issues, such as the partial return of lands. But, even if land is returned partially, landowners cannot make use of the partially returned land. Therefore, landowners as well as the village office, are opposed to the accord."

Ginowan Mayor Seiken Tobaru, who is calling for the full return of Marine Corps Air Stations [MCAS] in Futenma, which is located in the center of the city, was severely critical, saying: "Partial return of MCAS Futenma has long been a pending issue, and even if land is returned, all we can get are small plots of land that have not been used. The agreement is merely a temporizing measure and does not meet Okinawa residents' expectations."

Meanwhile, commenting on the possibility that the potential return of the Awase Communication Site might be discussed at a session of the consultative body, Ikuyoshi Kon, chief of Peace and Culture Promotion Division, Okinawa City, said: "Since 50 percent of the 380 landowners do not want their lands returned, the government needs to make efforts to talk with landowners."

Governor Ota Comments on Defense Summit Accord

OW0211075695 Naha OKINAWA TIMES in Japanese 2 Nov 95 Morning Edition p 1

[FBIS Translated Text] Following talks between Japanese and U.S. defense chiefs, Governor Masahide Ota issued the following comments on the afternoon of 1 November: "As far as the prefectural government is concerned, we have so far appealed to both the Japanese and U.S. Governments for efforts to work out solutions, in a visible form, to the issues related to U.S. military bases on Okinawa this year, the 50th anniversary of the end of the war. Also, we want to watch future developments cautiously."

Governor Ota stated: "The government has been asked to deal with the issues with due sincerity." However, touching on the U.S. side's reported reference to the difficulty of reviewing the Status of Forces Agreement [SOFA], Governor Ota said: "Just because they say it is difficult, we cannot say 'Sure, I understand,' and then give up. As far as we are concerned, we will consider the intentions of prefectural residents and state what we have to state." Thus the governor reiterated his intention to request review of the SOFA in his talks with Prime Minister Tomiichi Murayama, scheduled for 4 November.

As for redefining the security arrangement, Governor Ota said, "After grasping the details of the talks, I will state my views to the prime minister straightforwardly."

The governor avoided commenting on concrete details of the accord, saying only that he would "watch developments with caution."

Yamasaki Says Okinawa Base Cut on Summit Agenda

OW0211053395 Tokyo NHK General Television Network in Japanese 0000 GMT 29 Oct 95

[Discussion among Taku Yamasaki, chairman of the Liberal Democratic Party Policy Research Council and representatives of the Socialist Democratic Party of Japan, Sakigake (Harbinger), the New Frontier Party, and the Japan Communist Party; moderated by NHK commentator Takashi Yamamoto; from the "Toron" program]

[FBIS Translated Excerpt] [passage omitted] [Yamamoto] Mr. Yamasaki, indeed, the major concern of Okinawa is that in the Japan-U.S. summit meeting in November, the significance and role of the security alliance will be reconfirmed, and with this, the U.S. bases may become a permanent fixture. How do you propose to remove such concern?

[Yamasaki] I clearly declare that this will not happen. The maintenance of the Japan-U.S. security arrangements will be confirmed. During the discussions, the question of what to do with the bases will certainly come up. As far as the possibility of expanding or reinforcing the Okinawa bases is concerned — that is, the question of an over concentration of bases on Okinawa — the Japanese demand should be that the United States give consideration to the requirements of forward deployment of U.S. forces in Asia and the Pacific, and through this find a way to lessen the concentration of bases on Okinawa. That is our basic position. I think there is no question of expansion or reinforcement of the bases. [passage omitted]

Roundtable Views U.S. Bases, SOFA Revision

OW0211130695

[FBIS Editorial Report] Tokyo NHK General Television Network in Japanese at 0000 GMT on 29 October in its "Sunday Discussion" program carries a 40-minute roundtable discussion involving Taku Yamasaki, chairman of the Liberal Democratic Party (LDP) Policy Research Council; Nobuyuki Sekiyama, chairman of the Social Democratic Party of Japan's (SDPJ) Policy Board; Naoto Kan, chairman of Sakigake (Harbinger) Policy Research Committee; Kansei Nakano, chairman of New Frontier Party Policy Council; and Hiroshi Kikunami, chairman of Japan Communist Party Policy Committee.

The discussion is moderated by NHK commentator Takashi Yamamoto.

Yamamoto begins the discussion by asking Sekiyama to explain the role that the ruling parties' delegation — scheduled to visit Okinawa on 30 October — will play. Referring to a mass rally held in Okinawa on 21 October, Sekiyama says: "The fact that this kind of scene has reemerged proves that the reality of 35 years ago still remains in Okinawa. We decided to send the delegation to Okinawa because we felt the need to confirm the Okinawan people's candid feelings prior to the meeting between the governor and the prime minister."

Yamamoto then asks Yamasaki why the Defense Agency (DA) director canceled his planned trip to Okinawa. Yamasaki says: "We felt it was appropriate for the delegation of the three ruling parties to visit Okinawa first."

Nakano criticizes the government's stand in dealing with the Okinawa issue for its failure to respond to the Okinawan people's demands, saying: "What the prime minister is doing is quite different from what he has been saying." Kikunami also complains about the government's slow response in dealing with the issue.

Regarding a recent agreement reached between Japan and the United States on the application of the Status of Forces Agreement (SOFA), Yamasaki says: "Although we have reached an agreement, we need some kind of...shall I say, warrant or a measure to assure it. We can do that by writing a memorandum or including it in a joint statement which will be announced at the Japan-U.S. summit talks." Nakano and Kikunami, on the other hand, explain the need to revise the SOFA Article 17, Section 5-C.

Asked if the LDP is in favor of SOFA revision, Yamasaki says: "Since SOFA is a part of the Japan-U.S. Security Treaty, this issue will be linked to a review of the security treaty itself. Therefore, discussions have begun on ideal Japan-U.S. security arrangements in the post-Cold War era." "I think this issue will be a main topic at the Japan-U.S. summit talks, slated to be held on 21 November. The LDP is of the view that the Japan-U.S. security arrangements should be firmly maintained. Although it is true that the world situation has changed following the Cold War, the Japan-U.S. security arrangements, after all, currently play and will continue to play a very important role for Japan's peace and security, and peace and stability in the Far East."

Regarding the Okinawan people's concern that the November summit meeting may reconfirm the significance of the U.S. bases on Okinawa, Yamasaki says: "I clearly declare that this will not happen." He then says that Japan should ask the United States to lessen the concentration of the bases on Okinawa.

On the forward deployment of U.S. forces in the Asia-Pacific region, Kan says: "Fundamentally, I am of the view that a U.S. presence is necessary. However, both countries are intentionally avoiding discussions on this issue."

Yamasaki says: "Japan should ask the United States to think over (kangaete moraitai) the deployment of the U.S. forces in the Asia-Pacific region so that it will not become too much of a burden on Okinawa."

The discussion ends at 0042 GMT.

'Rumor' Makes Tokyo Nervous About Clinton's Visit

OW0211131795 Tokyo NIHON KEIZAI SHIMBUN in Japanese 1 Nov 95 Evening Edition p 2

[FBIS Translated Text] A rumor that U.S. President Bill Clinton is canceling his visit to Japan is circulating among some people in the United States, and this has irritated Japan.

The Japanese and the U.S. Governments have already agreed that Clinton will visit Japan on 17 November to attend the informal summit meeting of the Asia Pacific Economic Cooperation [APEC] forum in Osaka, and that Japan will host him as a state guest after APEC. At a 20 October cabinet meeting, the Japanese Government officially decided that it will treat Clinton's visit, which is scheduled from 19 to 21 November, as a state visit.

However, recently conflicts between the U.S. President and Republicans in Congression have intensified over a balanced budget plan and other budget bills. Speculation has arisen among those in Congress that "the feud may influence the President's visit to Japan."

Surprised at the rumor, the Japanese Government has repeatedly asked the United States through diplomatic channels about Clinton's "itinerary for his visit to Japan." (According to an official close to the prime minister), the U.S. State Department and the White House have "repeatedly affirmed that the President will 'visit Japan without fail.'" The Japanese Government is making arrangements for his visit, including arranging the security system, as scheduled. A senior official at the Ministry of Foreign Affairs [MOFA] stressed: "President Clinton is the advocate of an informal APEC summit, and he strongly hopes to achieve good results in the foreign affairs arena to win reelection. It would be impossible for him to cancel his visit."

However, the battle between the President and Republicans in Congress is likely to peak in mid-November, right before the APEC meeting. Depending on the developments, "the possibility of a sudden cancellation of his visit cannot be flatly excluded," (according to a government source). At a 31 October news conference, MOFA Minister Yohei Kono said: "Although there are rumors that President Clinton may not come due to conflict with the Congress, I have not heard much about such a story." He intentionally added the word "much."

At present, Japan-U.S. ties are strained because of several issues, such as the U.S. military bases on Okinawa and Daiwa Bank's huge losses. Some people said that "U.S. distrust of the Murayama Administration's handling of a series of issues" is behind the rumor. Previously, Russian President Boris Yeltsin canceled his September 1992 visit on short notice. Prime Minister Murayama and concerned government officials are likely to have some uneasy days for the time being.

Article Comments on Significance of Security Pact

OW0211011495 Tokyo YOMIURI SHIMBUN in Japanese 28 Oct 95 Morning Edition p 1

[Article By YOMIURI SHIMBUN editorial adviser Osamu Shima, from the "Study '95" column: "The Significance of Firmly Maintaining Japan-U.S. Security Arrangements"]

[FBIS Translated Text] **Rational Solution Needed for 'Okinawa' Issue**

The existing Japan-U.S. Security Treaty, which was revised in 1960, states that after the treaty has been in force for 10 years — that is by 1970 — either party may give notice to the other of its intention to terminate the treaty, in which case the treaty will terminate one year from such notice being given.

The pact was automatically extended for 20 years in 1970. Viewed from another angle, however, the treaty, which can be seen as a basic agreement bringing Japan and the United States together under one rule, has its weak aspects. But maintaining Japan-U.S. security arrangements in the post-Cold War era is important not only for each party but also for peace and prosperity in the Asia-Pacific region.

Taking advantage of U.S. President Clinton's visit to Japan in November, the two nations plan to reconfirm the significance and the role of the security treaty at summit talks. However, just as the two governments were about to proceed with such work, the schoolgirl rape case happened in Okinawa.

Immediately afterwards Washington apologized and cooperated with Japan in improving the operational procedures of the Status of Forces Agreement [SOFA]. Although the two governments are to discuss the possible trimming and consolidating military bases, there is the possibility that impatient demands reflecting anti-U.S. sentiment may give the impression Japan refuses to maintain friendly cooperation with the United States and will aggravate the issue, making it difficult to solve. For this reason the government should adopt a broad view of the matter and seek ways to bring the issue to rational solution.

In February, the Pentagon announced "The New Strategy for the East Asia-Pacific Region" as its first step toward reviewing the regional strategy in the post Cold-War era. The report says "security arrangements are like oxygen, and their importance is recognized only when it

'Rumor' Makes Tokyo Nervous About Clinton's Visit

OW0211131795 Tokyo NIHON KEIZAI SHIMBUN in Japanese 1 Nov 95 Evening Edition p 2

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In February, the Pentagon announced "The New Strategy for the East Asia-Pacific Region" as its first step toward reviewing the regional strategy in the post Cold-War era. The report says "security arrangements are like oxygen, and their importance is recognized only when it begins to run short." It therefore promises to maintain a military strength of 100,000 in East Asia to help supply the oxygen. In addition, the report regards the Japan-U.S. security arrangement as the pivot of security in the region.

Economic development in Asia is remarkable. But in the 21st century, as a result of rapid development, Asian nations will have to rely on the Middle East for oil resources, and the protection of such oil resources and routes will become an important issue for Asian nations. Asia has also turned its attention to the unclear situation on the Korean peninsula, tension in relations between China and Taiwan, the regional sovereignty dispute over the Spratly Islands, the fluid political situation in Russia, and the generational change in political leaders and power. These are factors for instability and uncertainty.

For that reason, the report makes a commitment to security in Asia by deploying troops in East Asia and has been welcomed by Asian nations and eased some worries. Some nations say the Japan-U.S. Security Treaty functions as "a cap on the bottle," that is, it prevents Japan from becoming military superpower.

An Improvement in Treaty Reciprocality Needed

With citizens in the U.S. paying greater attention to domestic affairs, there is a growing feeling that the security treaty is not important in a post Cold-War era.

Some in the U.S. are saying that to cut the fiscal deficit, the government should withdraw troops deployed overseas. They say it is anachronistic to protect an economic superpower like Japan now the threat from Russia, which had been a common enemy, is diminished. Meanwhile, the Department of Defense [DOD] is making strenuous efforts to provide persuasive counterarguments.

But for how long can the DOD continue to support troop deployment in Japan and keep the approval of government and Congress. For this reason, it is important to deepen bilateral ties at the coming summit talks and make clear that the Japan-U.S. alliance is solid.

After attending a congressional open hearing on problems in Okinawa on 26 October, Assistant Secretary of Defense Nye, who played a leading role in working out the strategic report, told reporters that "Japanese leaders should explain to the people about protecting their own national interest," thereby calling on Prime Minister Murayama and other leaders to exercise leadership.

In addition, he said Japan itself should consider whether it should maintain a good security alliance with the United States or strengthen its own defense capability. It can be said that he made his remarks to hold Japan in check, keeping in mind the idea that the security pact is seen as the "cap on the bottle."

The security pact states that the two nations will contribute toward the development of peaceful and friendly international relations, encourage bilateral economic collaboration, and seek to eliminate conflict in their international economic policies. On security, the accord specifies that the United States will protect Japan from an armed attack and that Japan will provide military bases.

"Maintaining the security treaty" is to fully understand the nature and necessity of the pact and to heighten the reciprocality of it by promoting mutual cooperation. Prime Minister Murayama, who has shifted his position on the security pact from "tolerating" it, to supporting its "firm maintenance," to "maintaining and strengthening" it, has to back up his current policy with action. In dealing with the Okinawa issue, the prime minister is now required to prove the worth of his policy position.

Necessary To the Stability of Korean Peninsula

A matter of primary concern to Japanese security is the situation on the Korean peninsula. It was declared in the 1959 Japan-U.S. joint statement, before the reversion of Okinawa, that "ensuring the security of South Korea is indispensable to ensuring Japan's security itself." South Korea has since expanded its diplomatic relations with such nations as Russia and China, but no progress has been made in dialogue between South and North Korea.

And on the issue of North Korea's suspected development of nuclear weapons, it was the intervention of the United States that made North Korea stop its nuclear development. This issue requires the further involvement of the United States.

The fact is that the United States's active commitment to the defense of South Korea contributes to stabilizing the Korean peninsula. In view of this, Japan should indicate its willingness to cooperate in stabilizing the situation in accordance with the security pact. Maintaining peace, not impairing the reliability of the Japan-U.S. security arrangements, will act as a deterrent to North Korea's military expansionism.

Editorial on Outcome of Perry's Visit

OW0211140995 Naha RYUKYU SHIMPO in Japanese 2 Nov 95 Morning Edition p 5

[Editorial: "The Idea of Maintaining Present U.S. Military Strength is an Anachronism — Okinawa Disappointed With Outcome of Eto-Perry Meeting"]

[FBIS Translated Text] There will be no progress in Okinawa's bases issue unless the number of U.S. troops is drastically reduced and many military bases are returned to Japan. A radical solution to the problem is impossible if only unused land is returned via the reorganization and consolidation of U.S. facilities. In this sense, Okinawan residents are disappointed by the agreements reached between visiting U.S. Defense Secretary William Perry, Japanese Foreign Minister Yohei Kono, and Defense Agency [DA] Director General Seishiro Eto.

They agreed to set up a new forum to discuss the issue of consolidating U.S. forces on Okinawa, to settle within the year the problem of 10 sites already set for return, including part of Futenma Air Station, and on the need for the United States to maintain 100,000 troops in East Asia to further strengthen the Japan-U.S. security framework.

An agreement on the return of the 10 U.S. facilities had been reached between Japan and the United States in response to claims by municipalities in which these facilities are located that they need the land for various public programs. Essentially, this accord should be carried out at the local level or by the authorities directly in charge. Thus, we wonder why the top Japanese and U.S. defense officials had to discuss this matter. Although they expressed the hope to solve the issue within the year, this only indicates how negligent the government has been in its efforts to settle the matter.

Reduction of U.S. Forces Necessary

Tokyo and Washington have agreed to establish a new forum. However, there have already been many mechanisms to discuss the bases issue, such as the Japan-U.S. Joint Committee and the special council on facilities set up under the joint committee. We have already had such deliberative bodies more than enough. What matters is how they deal with Okinawa's bases issue, and whether they will give priority to smooth and stable operations of military bases to fulfill duties under the security pact or to ensuring the safety of Okinawans' life and property.

Past U.S. forces-related incidents and accidents and various damages resulting from the U.S. bases prove that it is impossible for Okinawans to coexist with military bases. We made this clear when we opposed remarks by former DA head Noboru Hoshuyama that Okinawa should coexist with the U.S. military bases. We would not say establishing a new forum is meaningless. What matters is how it deals with the bases issue.

Government officials and U.S. Defense Secretary Perry confirmed in their series of talks the need for the United States to maintain 100,000 troops in East Asia to further strengthen the Japan-U.S. security framework. This is what we feared most, because such a confirmation means that U.S. forces in Okinawa, including the Marine Corps, which play a role as "muscle" to operate the Japan-U.S. security pact will be maintained and that U.S. military bases on the prefecture will continue to exist in the 21st century.

It is certain if the number of U.S. troops is drastically reduced, the number of crimes and troubles will decrease. It is also apparent that commitments to return military bases to Japanese control will end in "empty pledges" if a condition is attached that the current military strength be maintained, because this necessitates the relocation of existing facilities to other areas, which will naturally draw opposition from residents and municipalities of possible sites for relocation.

Relocating U.S. facilities to mainland Japan is not easy. Immediately after the government drew up a plan to relocate the functions of the facility for live-fire training across highway 104, residents in Hokkaido and Kyushu living near military training grounds which are considered possible sites for relocation opposed the plan.

Although Japan and the United States agreed more than 20 years ago on the return of Naha Military Port to Japanese control on the condition that the functions be relocated to another place, the accord has yet to be acted upon. This indicates that it is impossible to reduce the amount of military bases on Okinawa without cutting military strength.

Yet, we are not completely disappointed with the results of the talks between government officials and Perry because the outcome was close to what we expected. When discussing the reduction of U.S. forces and troops in Okinawa, Tokyo and Washington need to consider this region's political, economic, and military situation in the post-Cold War era, Japan-U.S. relations during the past 50 years, and the two countries' future course.

Governor Should Carry Through His Policy of Refusing To Sign Documents

It seems the Japanese and U.S. Governments have failed to depart from their old thinking pattern in the Cold War era. Proposals made at recent meetings between Kono and Perry and between Eto and Perry are no different from what Washington outlined in the "East Asia Security Review (EASR)," which was issued in February.

Some Americans disagree with the policy indicated in the EASR and call for reviewing the Japan-U.S. security pact and the stationing of U.S. forces in East Asia. The Cato Research Institute, an influential U.S. think tank, supports this view. It has proposed that U.S. forces in

Japan and South Korea be withdrawn in three or four years, and that the U.S.-Japan Security Pact and the U.S.-ROK Mutual Defense Treaty be abolished by the end of the century.

We believe or hope the views that fit the new age and break the Cold-War thinking pattern will become dominant in both Japan and the United States, and that Tokyo and Washington will effect a policy change dictated by such views. The policy change of the two governments will then bring about great changes in 10 years over Okinawa's bases issue.

In order for this to happen, Okinawa Governor Masahide Ota should carry through his policy of refusing to sign documents needed to force unwilling landowners to continue leasing their land to U.S. forces. The prefecture needs to clearly state to the nation and the world that it objects to the continued stationing of U.S. forces in Okinawa in the 21st century. Otherwise, the present government will misread, or guess wrong intentionally, that the prefecture is waging a dispute over the terms. It may try to appease the Okinawan people's anger by presenting base reduction plans and some Okinawa development programs knowing that they are impracticable.

Although we should not have a dispute with the government and the United States, it is important to let them know our wishes. Meanwhile, the Japanese and U.S. Governments should not resort to cunning in order to clearly understand what Okinawans hope for.

Merrill Lynch Ordered To Suspend Operations

OW0211110995 Tokyo KYODO in English
0900 GMT 2 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 2 KYODO — The Finance Ministry said Thursday [2 November] it has ordered the Tokyo branch of Merrill Lynch and Co. to partially suspend its operations for two days from next Tuesday for illegal stock trading.

The branch's arbitrage trading section will be prohibited from engaging in stock trading for the two days, Vice Finance Minister Kyosuke Shinozawa said at a press conference.

He said the order is in line with last Friday's recommendations by the ministry's securities watchdog, the Securities and Exchange Surveillance Commission, which found the U.S. brokerage house guilty of violating the ministry's ordinance on stock trading.

Merrill Lynch, the biggest U.S. securities house, is the first foreign brokerage company to face punitive measures in line with a proposal by the commission since the watchdog's inauguration in 1992.

The securities exchange law bans trading meant to "stabilize" the prices of securities as price manipulation, except under certain conditions during a new share offering to the public.

The Tokyo branch of Merrill Lynch conducted such trading via arbitrage arrangements during the permissible period but ignored due procedures stipulated under the ministry's ordinance.

Merrill Lynch has already acknowledged the brokerage house technically violated the trading rule.

Officials at the securities watchdog said the illegal trading stemmed from Merrill Lynch's lack of knowledge about the Japanese rule.

The conduct did not constitute price manipulation as the orders placed were too small to affect the market, the officials said.

Kono, Mondale Formalize Joint Research Agreement

OW3110131795 Tokyo KYODO in English
1240 GMT 31 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 31 KYODO — Japan and the United States have formalized a bilateral agreement on joint research on advanced steel production technology and on ceramic engines for tanks, government officials said Tuesday [31 October].

Foreign Minister Yohei Kono and U.S. Ambassador to Japan Walter Mondale exchanged letters of agreement on the package of projects, which was included in the Tokyo declaration issued in 1992 when then President George Bush visited Japan.

Industry Sees No Need To Renew Microchip Pact

OW0211100595 Tokyo KYODO in English
0843 GMT 2 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 2 KYODO — A Japan-U.S. semiconductor accord should not be renewed after its expiration next summer, the head of Japan's microchip industry said Thursday [2 November].

"No new governmental agreement will be necessary for the semiconductor sector after expiration of the current arrangement," said Norio Ohga, chairman of the Electronic Industries Association of Japan (EIAJ).

Ohga said at a press conference that the governmental arrangement should expire in July 1996 in accordance with the terms of the agreement.

The press conference was called in immediate response to remarks by the head of the U.S. Semiconductor

Industry Association (SIA) on the issue Wednesday in San Jose, California.

SIA Chairman Pat Webber was quoted as telling reporters that the U.S. semiconductor group supports the renewal of the current arrangement.

Ohga, chairman of Sony Corp., stressed that the Japanese and U.S. industries can continue cooperating for further development without any government involvement or arrangements.

"We are not in a position to fight against the U.S. industry. On the contrary, we can cooperate hand in hand between industries on a private business basis," Ohga said.

Ohga said not only Japanese users and makers of semiconductors but also the Ministry of International Trade and Industry (MITI) have supported the EIAJ's stance that further governmental intervention in the semiconductor marketplace is unwarranted.

MITI chief Ryutaro Hashimoto disclosed Tokyo's intention not to renew the bilateral microchip pact during a meeting with U.S. Trade Representative Mickey Kantor in Ripley, Northern England, late in October.

But Kantor rejected Japan's proposal for ending the pact.

The Japan-U.S. semiconductor agreement was first concluded in 1986 and has been renewed several times.

It calls for Japan to maintain "a gradual and steady increase" above the 20 percent level in the market share in Japan for foreign-made microchips.

The pact is not binding but has become a virtual "numerical target" for Japan.

The accord has become a source of contention between Tokyo and Washington many times in the past when the foreign share in the Japanese slipped below 20 percent.

Ohga said, however, that recently the foreign share of the Japanese market has exceeded the U.S. semiconductor industry's expectation of 20 percent.

With design-ins and strategic alliances between Japanese and foreign companies multiplying, the objectives of the accord have been fully achieved, Ohga said.

Ohga expressed hopes that the U.S. industry will finally agree there is no need to renew the governmental accord.

"We have never discussed the issue with them... [ellipses as received] There is enough time until next summer," he said.

Chip Makers Preparing To Form 'United Front'

OW0211125895 Tokyo EKONOMISUTO in Japanese 31 Oct 95 p 42

[Article by editorial staff member Emi Yokota: "Japanese Manufacturers To Launch Joint Research On New Chip Technology To Counterattack U.S. Manufacturers"]

[FBIS Translated Text] A plan is afoot by Japanese semiconductor manufacturers, including NEC Corporation, Toshiba Corporation, and Hitachi, Ltd., to form a new company to conduct joint research on semiconductor technology. The name of the company is the "Institute for Experimental Research on Semiconductor Technology." It has capital of $5 billion and is scheduled to be inaugurated early next year.

The firm's main job is to develop equipment for manufacturing 12-inch wafers. Although 8-inch wafers are widely used at present, they will be replaced by 12-inch wafers in the near future. Because a huge amount of money is needed to develop and provide production lines for 12-inch wafers, the 10 Japanese makers aim to cut the development cost by establishing the joint research company. In addition, by forming a united front, they hope to compete with "Sematech," a U.S. joint research organization set up by the government and private companies that has announced it will shift its production from 8-inch to 12-inch wafers by the end of 1998 at the earliest or by the end of 2000 at the latest.

The "Institute of Joint Research on VLSI [very large-scale integration]" is widely known as an organization for joint research on semiconductors. It was set up in 1976 under a Ministry of International Trade and Industry [MITI] initiative. The government paid out 30 billion yen to set up the institute, while private companies contributed 40 billion yen. With the development of VLSI as the starting point, the Japanese semiconductor industry has rapidly grown and joined the world leaders in the industry. Moreover, the government provided funds for a project to develop a 256-kilobit dynamic random access memory [DRAM]. Therefore, it is no exaggeration to say that the Japanese semiconductor industry has grown under a system of joint cooperation between the government and private companies.

However, that sort of joint cooperation came under fire from the United States during the Japan-U.S. trade friction over semiconductors in the late 1980's; thereafter, Japanese industry gave up using such a system.

Ironically, after Japan gave up the cooperation between the government and private sector, the U.S. organization called "Sematech," which is modeled after the Japanese institute, was inaugurated. "Sematech" was set up in 1988 by the Defense Department and 14 companies, including IBM, Texas Instruments, and Intel to rival Japanese manufacturers, which have excellent quality control systems. This was a remarkable change in direction for the U.S. manufacturers, because there was keen competition among semiconductor makers at that time, and its establishment helped them regain power. Also, South Korean and Taiwanese manufacturers, who have become active in the market and are rapidly closing in on Japanese manufacturers, owe their rapid growth to their governments' assistance.

After friction over semiconductor trade emerged, it became taboo for the semiconductor industry in Japan to form a joint organization. However, in the face of foreign manufacturers' offensive, there is growing opinion that: "It is meaningless for Japanese firms to consume power by competing with foreign manufacturers in the basic technology area. We should compete in the creative area" (according to a private company). Unlike 20 years ago, MITI has no plans to provide funds to the new institute and maintains the view that "the new institute will be set up by private companies." However, it is obvious that the Japanese semiconductor industry is preparing to launch a counterattack against foreign manufacturers in full cooperation with the government.

French Envoy Comments on UN's Draft Resolution

OW0211110495 Tokyo KYODO in English 0833 GMT 2 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 2 KYODO — A draft resolution which 26 countries submitted to the United Nations calling for an immediate halt to nuclear testing will have little effect on France, the French envoy to Japan suggested Thursday [2 November].

French ambassador to Japan Jean-Bernard Ouvrieu told a press conference at the Japan National Press Club that the resolution, even if adopted, does not have "any great binding force."

The resolution is rather aimed at "appealing to morals," he said.

Twenty-six countries including Japan, Australia, New Zealand, Canada and South Pacific nations, submitted the draft resolution Tuesday to the UN's First Committee on Disarmament and International Security.

The draft, which does not name China or France in urging an immediate halt to nuclear testing, will be submitted to the General Assembly for adoption in mid-December.

Ouvrieu said that of the 26 countries, about 15 are from the South Pacific and include only one major economic power — namely Japan — which France considers its friend.

The envoy also said that even if the resolution is adopted, it has to be approved by the UN Security Council if the countries that submitted it want it to have a legally binding force.

Of the council's five permanent members, France and China continue to conduct nuclear tests.

Japanese diplomats have said they expect the resolution to be approved overwhelmingly with support from the other three nuclear powers — the United States, Russia and Britain — so it could create an international environment that would make it difficult for China and France to conduct nuclear tests.

The ambassador said the French nuclear tests in the South Pacific do not have any environmental effect and invited Japanese scientists to study the area once the series of tests is completed.

Paris chose the South Pacific as the test site because it is French territory and has the smallest population density, he said.

Geological factors, such as the fact that the area's sea bottom is the most solid in the world, were also taken into account, he said.

Ouvrieu stressed the need to continue possessing nuclear weapons, saying the world still faces instability.

Japan and France have similar defense policies and both rely on nuclear deterrents, he said. The only difference is that Japan is under the U.S. nuclear umbrella while France has it own, he said.

The envoy also sought Japan's understanding on French initiatives to promote disarmament, such as hosting international conferences to ban chemical weapons in Paris, and its commitment to signing a comprehensive test ban treaty in 1996.

Nagasaki Mayor: MOFA 'Altered' ICJ Draft

OW0211043595 Tokyo KYODO in English 0244 GMT 2 Nov 95

[FBIS Transcribed Text] Nagasaki, Nov. 2 KYODO — Nagasaki Mayor Itcho Ito indicated Thursday [2 November] he may not directly declare that the use of nuclear weapons violates international law, in a scheduled testimony at the International Court of Justice (ICJ) on Tuesday.

Ito disclosed that the Ministry of Foreign Affairs [MOFA] has deleted and altered some parts of a prepared draft of Ito's statement for the world court in which he clearly noted that the use of nuclear weapons violates international law.

Ito submitted the draft of his statement to the ministry late last month. The mayor said he has since been consulting with ministry officials on the scheduled testimony.

As of Thursday, the content of his testimony was not fixed, according to Ito.

Ito said his testimony is likely to be an "indirect" one although he will try to refer to the illegality of nuclear weapons by every possible means.

But he said he has to make a testimony based on consultations with the ministry officials and Hiroshima Mayor Takashi Hiraoka as he speaks as a witness for the Japanese Government.

Ito said he will make utmost efforts to testify about the actual situation of the 1945 Nagasaki atomic bombing.

The court started a case in late October on the legality of the use of nuclear weapons.

At the request of the World Health Organization and the United Nations, the world court is to decide whether or not nuclear warfare violates international law.

In Tokyo, a top government spokesman said the mayor has the right to state his own opinion in his testimony provided he is speaking for himself alone.

"The government is scheduled to voice its view over whether (the use of nuclear weapons) is permitted or not (under international law)," Chief Cabinet Secretary Koken Nosaka told a news conference.

"The Foreign Ministry should not censor what the Nagasaki mayor speaks on his own responsibility," Nosaka said. "I believe the mayor can state his own opinion if he wishes to."

Hiroshima Mayor Hiraoka suggested Thursday that he would testify, at the ICJ, that the use of nuclear weapons violates international law.

He told reporters he would repeat the views he had asserted previously on the issue. He added that he would not be concerned if his testimony differed from the ministry's position.

Hiraoka said he intends to directly convey the feelings in the hearts and minds of Hiroshima citizens who suffered from the world's first atomic bombing.

Chretien Postpones Visit, Intends To Attend APEC

OW0111030695 Tokyo KYODO in English 0256 GMT 1 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 1 KYODO — Canadian Prime Minister Jean Chretien has postponed his official visit to Japan planned for later this week due to a potentially volatile political situation in Canada, a Japanese Government spokesman announced Wednesday [1 November].

Deputy Chief Cabinet Secretary Hiroyuki Sonoda told a news conference that Chretien had made the decision in the face of the instability following the rejection Monday in a referendum on Quebec's independence from Canada.

Chretien was scheduled to arrive in Japan on Saturday for a five-day stay.

"It is quite regrettable, but we would like to receive him at some appropriate time in the future," Sonoda said, adding the Canadian premier has relayed his intention to attend a summit of the Asia-Pacific Economic Cooperation forum in Osaka on Nov. 20.

Taipei May Drop Demand of Li's APEC Attendance

OW0111161495 Tokyo YOMIURI SHIMBUN in Japanese 1 Nov 95 Morning Edition p 2

[FBIS Translated Text] Taiwan has been demanding that President Li Teng-hui be allowed to attend an unofficial meeting of the Asia-Pacific Economic Cooperation [APEC] forum, slated to be held in Osaka on 19 November. However, Taiwanese authorities agreed in principle with Japan on 31 October to drop this issue and send economic minister-class officials instead. This was disclosed on the same day by several government sources.

The agreement was reached in the wake of negotiations between Taiwan and Japanese Government Envoy Nobuo Matsunaga, who visited Taiwan and held a meeting with President Li on 30 October. It seems that Taiwan will, over the next few days, provide Japan with the names of officials who will attend the Osaka meeting. This will be done through the auspices of the Foundation for the Promotion of Exchanges (Japanese side) and the Association of East Asian Relations (Taiwanese side), which serve as unofficial diplomatic channels between Japan and Taiwan. The Japanese Government plans to send, through the association, an invitation to President Li for the sake of formality as soon as it receives the names from Taiwan.

As the issue has been settled amicably, following Taiwan's voluntary decision, the representatives from all 18 APEC countries who will attend the unofficial APEC council meeting have now been determined.

Regarding Taiwan's participation in the unofficial APEC summit, Japan was determined to follow the precedence set in previous APEC meetings in Seattle and Bogor, Indonesia. In consideration of China's stand, which demands that APEC respect the "one China," policy, previous meetings allowed for the "attendance of economic minister-class officials." Because of this, Japan — in expressing its disapproval for the attendance of President Li, Vice Premier Hsu Li-te, or other top officials, instead requesting that only economic minister-class officials attend — has been carefully holding working-level negotiations with Taiwan while at the same time attaching importance to their prestige.

Taiwan maintained its stance of persistently seeking President Li's attendance. However, it seems that as the Osaka meeting is drawing near, Taiwan has made a political decision after all, saying that "it is not a good policy to kill with out having a chance to promote exchanges at the APEC meeting," (according to a government source).

It seems that Taiwan will dispatch three minister-class officials, including Economic Affairs Minister Ping-kun Chiang, to ministerial meetings, scheduled to be held 16-17 November.

Matsunaga in Beijing After Talks in Taipei

OW0111150395 Tokyo KYODO in English
0602 GMT 1 Nov 95

[FBIS Transcribed Text] Beijing, Nov. 1 KYODO — Japanese Government envoy Nobuo Matsunaga arrived in Beijing Wednesday [1 November] to attend an international conference on Japan-China relations, after paying a visit to Taiwan.

Matsunaga flew to the Chinese capital from Hong Kong after a brief trip to Taiwan, where he failed to dissuade Taiwanese president Li Teng-hui from planning to attend the forthcoming summit of the Asia-Pacific Economic Cooperation (APEC) forum in Osaka, according to Japanese Government sources.

Matsunaga, a former ambassador to Washington, is said to be particularly keen to meet Chinese Foreign Minister Qian Qichen during his stay in China.

Government sources said Matsunaga would most likely reiterate to Qian that Japan will not allow Li to attend the APEC meeting in the interests of avoiding any political or diplomatic dispute that could disrupt the conference.

Indonesian Official Interviewed on Osaka APEC

OW0211002495 Tokyo KYODO in English
2339 GMT 1 Nov 95

[Ninth in a series of articles on the upcoming APEC Talks in Osaka by Christine T. Tjandraningsih: "APEC Official Says Free Trade Zone Can Be Realized"]

[FBIS Transcribed Text] Jakarta, Nov. 2 KYODO — APEC forum leaders' long-term goal of establishing a free and open market in the Asia-Pacific region can be realized by not giving preferential treatment to certain economies, a top APEC official says.

"Like other Asia-Pacific economies, Indonesia also expects that an action agenda could be worked out (at the forum's upcoming leaders' meeting in Osaka) to implement the Bogor declaration," said Bintoro Tjokroamidjojo [name as received], head of the executive body of the Asia-Pacific Economic Cooperation (APEC) forum, in an interview with KYODO NEWS SERVICE.

Bintoro is also a special assistant to Indonesian President Suharto.

APEC leaders professed unity at their 1994 meeting in Bogor, Indonesia, over the goal of transforming the booming Asia-Pacific market into a free trade zone by 2020 for developing economies, with industrialized economies leading the way by 2010.

APEC groups Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Taiwan, Thailand and the United States.

Bintoro said various tangible measures, supported with economic and technical cooperation, have been taken by APEC members in the process of liberalizing and facilitating trade and investment in efforts to achieve the free trade goal.

However, he said, "It could be done... [ellipses as received] by not putting forward the interest or problem of each economy, especially the strong ones, and brushing aside common interest for better common benefit for economic cooperation in the Asia-Pacific area."

According to Bintoro, APEC economies should clear up several problems to implement the series of measures agreed on by APEC leaders in Bogor.

"On the trade conflicts, the Bogor declaration has expressed its concerns, and we are really concerned about these, because the conflicts often give negative impacts to developing countries," he said.

Two main problems that need to be solved immediately are comprehensiveness and nondiscrimination, he said.

"On the principle of comprehensiveness, comprehensive means there is no exception," Bintoro said. "If one country proposes a sector, which must be given priority, everybody will want the same thing, and APEC will become an 'empty basket'."

Special or flexible consideration could be given in the implementation of a sensitive sector, he said, but a place has been provided for this in the form of differences in timeliness to achieve it.

"But of course it must be in the time frame of 2010 and 2020," Bintoro said, adding that an exception is not in line with APEC's community spirit.

He also said the nondiscrimination principle is also logical, regarding the principles of the Bogor declaration of "equal partnership, shared responsibility, mutual respect, common interest and common benefit."

Asked whether the APEC forum at present has conducted important tasks toward trade liberalization in the region, Bintoro said many APEC economies, especially developing ones, have implemented unilateral trade and investment liberalization.

"Even Indonesia itself has accelerated, broadened and deepened the implementation of Uruguay Round commitments to strengthen the open multilateral trading system as stated in the Bogor declaration in its unilateral liberalization through the May 23 deregulation package," he said.

In the package introduced in May this year, Indonesia removed "all entry-level barriers" to foreign investment.

"In the APEC forum meeting in Osaka, what will be called the concerted unilateral liberalization approach will be discussed and expected to be decided," Bintoro said.

He also expressed Indonesia's hopes that in the Osaka meeting, APEC economies could announce "the down-payment" or "initial action" for the process of trade and investment liberalization as a concrete step.

On Japan's proposal over a new mechanism to improve cooperation among APEC members, Bintoro only said, "Indonesia is still studying the mechanism, but basically, development cooperation, which could support trade and investment liberalization, is important."

In the APEC ministerial meeting last November in Jakarta, Japan proposed the concept, which specifically said that proposed cooperation consists of two tiers — one among developing countries and the other in the form of advanced nations playing a bridging role in supporting cooperative programs among developed nations.

Concerning the East Asia Economic Caucus (EAEC) proposed by Malaysian Prime Minister bin Mohamad Datuk Mahathir , Bintoro said that Japan could join EAEC without any previously stated conditions. Japan has said it is willing to join the caucus if EAEC also involves Australia and New Zealand and it gets a "blessing" from all APEC members.

"EAEC is a caucus within APEC and therefore a linkage of cooperation with Australia and New Zealand could be still implemented in the framework of APEC," he said.

Tokyo To Seek Farm Stance at APEC Meeting

OW0211062595 Tokyo KYODO in English
0551 GMT 2 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 2 KYODO — Japan will continue seeking recognition that the agricultural situation varies among the member economies of the Asia-Pacific Economic Cooperation (APEC) forum at the forthcoming APEC meeting in Osaka, government officials said Thursday [2 November].

They said the policy was confirmed at a meeting of the Liberal Democratic Party (LDP) to which former Foreign Minister Kabun Muto reported about his recent trip to the United States and Australia, which are calling for farm trade liberalization in the APEC region. The LDP is the dominant member of the tripartite ruling coalition.

Muto reported that he succeeded in obtaining "understanding from the two countries" of the fact that Japan has problems in freeing agricultural trade, the officials said.

They said the government thus confirmed Japan's stance on three points.

The first is that Japan will steadily implement steps to free farm trade it pledged under the Uruguay Round of multilateral trade talks held under the General Agreement on Tariffs and Trade (GATT).

The second is that after Japan completes in 2001 its scheme for farm liberalization with minimum access agreed on in the Uruguay Round, it will discuss further easing of farm trade at the World Trade Organization, GATT's successor that was created in January.

As for the APEC plan for freeing farm trade, Japan, as the third point, will say that it cannot promise opening the farm market completely by 2010, the officials said.

At the APEC informal summit scheduled on Nov. 19 with Japan as the host, the 18 members are expected to sign a set of guidelines called "action agenda" for liberalizing trade and investment in the region.

The deadline for trade liberalization is 2010 for developed members and 2020 for developing members of the regional forum.

Japan, however, along with China and South Korea, is seeking a rather flexible liberalization schedule in the agricultural area, while farm-produce exporters such as the U.S. and Australia are strongly opposing such a move.

NFP's Farm Products Policies for APEC Noted

OW0211082195 Tokyo ASAHI SHIMBUN in Japanese 1 Nov 95 Morning Edition p 3

[FBIS Translated Text] On 31 October, the New Frontier Party [NFP] drew up its agricultural policies, preparing for a Saga Prefecture House of Councillors by-election. The NFP, like the Liberal Democratic Party, insists that agricultural products should be "treated as an exception" in trade liberalization because "special consideration should be given to agriculture." The liberalization of agricultural trade will be a focal point during the Asia-Pacific Economic Cooperation (APEC) forum, starting on 16 November. On the question of how to liquidate housing loan companies' (jusen) bad loans, the NFP asserts the "responsibility of the parent banks [of jusen]," including major city banks.

Hashimoto Intends To Retain Post After APEC

OW0111150095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 31 Oct 95 Evening Edition p 2

[FBIS Translated Text] Ryutaro Hashimoto, deputy prime minister and international trade minister as well as president of the Liberal Democratic Party [LDP] said at a 31 October news conference that: "My job is to do my best in trade and industrial administration as a cabinet minister separately from party affairs. I do not think that the objective of not hindering the economic recovery contradicts doing party jobs." Hashimoto was responding to emerging demands within the LDP that he resign as international trade and industry minister and devote his energies toward his job as LDP president following the Asia-Pacific Economic Cooperation (APEC) forum in Osaka. From his remarks, Hashimoto indicated an intention to remain in the trade minister's post for the time being.

Nosaka Retracts Remarks on Murayama Resignation

OW0211035395 Tokyo KYODO in English 0326 GMT 2 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 2 KYODO — Prime Minister Tomiichi Murayama has made no remark suggesting he will resign after his summit with U.S. President Bill Clinton later this month, his top aide said Thursday [2 November].

Chief Cabinet Secretary Koken Nosaka told a news conference Murayama had not made such a remark, although Nosaka stated earlier that the premier did so, in talks Wednesday with U.S. Defense secretary William Perry.

Nosaka, the top government spokesman, retracted his earlier account of Murayama's remarks, in which he reported that Murayama expects the Japan-U.S. Summit, set for Nov. 20 in Tokyo, to be brought to a "fine finish," indicating his readiness to step down.

"I used the expression as a figure of speech. But there was no remark like that actually," Nosaka said, expressing regret for the consequences of his earlier comments.

"In the meeting with Perry, the premier only tried to say he hopes his summit with President Clinton will be fruitful," he said.

Asked about the controversial remark, Murayama told reporters he meant to say he would like to make the Japan-U.S. summit rich in substance and end successfully.

He denied the remark meant he was thinking of resigning, saying it had no political connotations at all.

Kato on Support for Murayama After APEC

OW0211060895 Tokyo NIHON KEIZAI SHIMBUN in Japanese 31 Oct 95 Morning Edition p 2

[FBIS Translated Text] LDP Secretary General Koichi Kato disclosed in a 30 October speech that Prime Minister Tomiichi Murayama would continue as prime minister after the Asia-Pacific Economic Cooperation (APEC) Osaka forum in mid-November. Commenting on a rumor among some ruling party members that the prime minister may resign or "bow out after APEC," Kato clearly said: "I do not think he will resign immediately after the APEC forum."

He added: "We would like to support Mr. Murayama firmly as long as he has the energy and is highly motivated."

His remarks amounted to an expression of the LDP's policy to continue supporting the Murayama administration. Kato also reiterated his view that the timing of the dissolution of the House of Representatives and of a general election should be "in June or July 1996, as a matter of common sense."

North Korea

ROK Commits 'Military Provocations' in DMZ

SK0211054395 Pyongyang KCNA in English 0436 GMT 2 Nov 95

[FBIS Transcribed Text] Pyongyang, November 2 (KCNA) — The South Korean puppets committed serious military provocations against the DPRK in the Demilitarized Zone (DMZ) on Oct. 30 and 31, according to military sources.

Over 30 soldiers of the puppet army at an MP post in the DMZ of the eastern sector of the front took firing postures aiming at posts of the North side and soldiers of the People's Army with 90 mm recoilless guns and 12.7 mm machine guns for hours.

Some 20 puppet army soldiers at an MP post in the western sector of the front levelled 12.7 mm machine guns and automatic rifles at civil police members of our side who were on routine duty.

If the Kim Yong-sam group lead the situation of the DMZ to a dangerous phase, escalating the criminal "Foal Eagle 95" war exercise in league with the U.S. imperialists, they will face a severe punishment.

Legal Action Against No Tae-u Demanded in ROK

SK2910100395 Pyongyang KCNA in English 0841 GMT 29 Oct 95

[FBIS Transcribed Text] Pyongyang, October 29 (KCNA) — South Korean people held meetings and demonstrations in demand of probe into the truth behind the secret funds of the traitor No Tae-u on October 28, according to a radio report from Seoul.

The members of 27 civil organizations including the Federation of Women Organizations of South Korea staged a demonstration, protesting against his secure of a large sum of secret funds.

They demanded that No frankly admit that he secured 500 billion won of secret funds and that the "government" recall him and probe the truth behind the secret funds.

The members of the "National Alliance for Democracy and Reunification" and students held a meeting and demanded his arrest and investigation and a strict probe into the truth behind the secret fund case.

Teachers and students and members of public organizations in Kwanak and Tongjak districts held a ceremony for proclaming a 100 men declaration for enactment of a special law to prosecute those responsible for the May 18 incident and demanded legal action against No and enactment of a special law.

Over 500 students of the Kwangju and South Cholla Provincial Federation of General Student Councils including Chonnam and Korea Universities staged a demonstration demanding immediate legal action against No.

Arrest, 'Punishment' Demanded

SK2910090095 Pyongyang KCNA in English 0822 GMT 29 Oct 95

[FBIS Transcribed Text] Pyongyang, October 29 (KCNA) — The South Korean people demanded the arrest and punishment of the traitor No Tae-u who did not make clear his illegal profiteering.

The South Korean Federation of University Student Councils and Seoul National University published commentaries denouncing No Tae- u's excuse to evade his responsibility for secret funds as a mockery of the people and demanding his arrest and punishment.

The Seoul District Federation of University Student Councils held a rally and a demonstration to protest against his formal "apology". And members of the student councils of three universities including Kyonghui University and University of Foreign Studies thronged to the "regional branch of the Democratic Liberal Party" and handed a letter of protest.

Citizens said that No Tae-u did not explain in detail how he secured and used the secret funds and tried to keep a secret that he made money by other means except money from businessmen.

Opposition parties said his "apology" gave only a hint that he did political bargaining with the Kim Yong-sam "regime" and has not clarified its real fact. They demanded that the authorities make clear all the facts and take legal action against the traitor No Tae-u.

No Tae-u Denounced for 'Apology' to People

SK2910113095 Pyongyang KCNA in English 0837 GMT 29 Oct 95

["Absurd Artifice" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 29 (KCNA) — NODONG SINMUN today denounces former South Korean dictator and traitor No Tae-u's "apology to the people" as a base excuse to escape his crime and a lip service to cover up his dirty nature as a kingpin of scandals.

Traitor No said in his "apology to the people" regarding his "secret fund case" that during his five-year stay in office he accumulated ruling funds of some 500,000 million won worth, the remainder of which is 170,000 million won and that he "did wrong" and "deeply apologizes on his knees".

He could not but reveal his secret funds in a tight corner as witnesses concerning his secret fund deposit opened their mouths. But it is no more than a curtailed obscure confession, the news analyst says, and goes on:

His abrupt "apology" is a product of the Kim Yong-sam group's plot to tide over the instability of the South Korean political situation worsening after the disclosure of the "secret fund case" and the ruling crisis caused by it.

Traitor Kim Yong-sam, who received a large sum of money from traitor No Tae-u and was on the same boat of scandals, directed a drama of "apology to the people" in a bid to harsh up No's "secret fund case" and hoodwink the people.

The Kim Yong-sam group had better stop the foolish deceptive drama, looking squarely at the indignation of the South Korean people who are determined to throw into the dump of history them, an ally of traitors Chon Tu-hwan and No Tae-u who were the principal culprits of the Kwangju massacre and kingpins of corruption and irregularities.

ROK People Demand 'May 18 Special Law'

SK3010065695 Pyongyang KCNA in English 0319 GMT 30 Oct 95

[FBIS Transcribed Text] Pyongyang, October 30 (KCNA) — The Pusan Local Bar Association entered into a signature campaign on October 16 demanding the enactment of a May 18 special law, according to a South Korean paper.

The organisation called a standing council meeting on that day and decided to conduct the campaign for punishment of the Kwangju murderers.

On the same day, members of the "presidium" and May 18 special committee of the Kwangju city "assembly" paid a protest call at the "National Assembly."

They demanded the enactment of the May 18 special law and the introduction of a special prosecuting system and handed to the chairman of the "National Assembly" a document denouncing the utterance of No Tae-u that the Kwangju massacre is nothing.

Meeting in Japan Urges Pak Yong-kil's Release

SK2910111095 Pyongyang KCNA in English 1015 GMT 29 Oct 95

[FBIS Transcribed Text] Tokyo, October 27 [date as received] (KNS-KCNA) — A meeting of Korean women in Japan was held in Tokyo on October 27 to realize the release of Mrs. Pak Yong-kil who visited Pyongyang in July.

Kim Il-sun, chairperson of the Democratic Union of Korean Women in Japan, said in her report at the meeting:

The Pyongyang visit of Pak Yong-kil was motivated by lofty humanitarian idea and noble etiquette and morality of our nation. It is a good deed for national reconciliation and unity, which can never become a crime.

She called for extensively and concentrically conducting a political propaganda work and mass movement for the release of Pak Yong-kil, widely exposing at home and abroad the criminal essence of the "National Security Law", and waging a powerful struggle for the dismantlement of the "Agency for National Security Planning" and for the release of all the unconverted long-term prisoners and pro-reunification patriots, the victims of plots.

Reiko Hirose, vice-chairperson of the Japanese Women's Society, and Rei Kaneko, editor of the magazine "SSIALUI HIM", participated in the meeting as guests and made speeches of solidarity.

At the end of the meeting, the participants sent to Kim Yong-sam a postcard demanding the release of Pak Yong-kil.

ROK Authorities Urged To Accept DCRK Plan

SK3010103795 Pyongyang KCNA in English 1020 GMT 30 Oct 95

[FBIS Transcribed Text] Pyongyang, October 30 (KCNA) — The world public unanimously urge the South Korean authorities to accept the proposal for foundation of the Democratic Confederal Republic of Koryo [DCRK] without delay on the lapse of 15 years since the proposal was put forward.

Secretary General of the Asian Regional Committee To Support Korea's Reunification Om Prakash Mantri [spelling of name as received] noted in his letter of protest to the president of the United States on Oct. 17:

"Korea should be reunified on the basis of one nation, one state, two systems and two governments. This is the only way of Korea's reunification.

"We expect that for the reunification of Korea the U.S. President will make efforts to persuade the South Korean authorities to accept the most fair and aboveboard proposal for founding the DCRK at an early date."

The All India Indo-Korean Friendship Association and the Indian Committee for Supporting Korea's Reunification stressed in a joint statement on Oct. 19 that the proposal for reunification by confederacy is the most reasonable one reflecting the specific realities of Korea. The statement noted: "We hold that the South Korean authorities and the United States should accept the proposal for founding the DCRK without fail."

The Mozambican Committee for Friendship With the People of the DPRK stressed in a statement on Oct. 13 that the South Korean authorities should clearly know the desire of the people and requirement of the times, turn to the side of the nation, not depending on foreign forces, and accept the proposal for reunification by confederacy without delay.

U.S., ROK Stage 'Attack Exercise' 27 Oct

SK2910102395 Pyongyang KCNA in English 1011 GMT 29 Oct 95

["Repeated War Manoeuvres Against North" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 29 (KCNA) — The U.S. imperialists and the South Korean puppets on October 27 staged a long-distance aerial surprise attack exercise with more than 40 carrier-borne assault planes in the sky above Asan Bay and Tokchok Islet of South Korea as part of the provocative "Foal Eagle 95" joint war exercise, according to military sources.

Timing to coincide with this war gamble, more than 750 fighter planes of the U.S. Seventh Air Force present in South Korea and the puppet air force launched joint aerial war exercise against the North in the sky above Tokchok Islet and Kyongnyolbi Islands on the West Sea of Korea, and ten odd transport helicopters and helicopter gunships of the puppet army exercises for airlifting operation and aerial strike against the North in the sky above the areas of the western sector of the front.

And on the same day, 105 mm artillerymen groups of the puppet army fired over 520 shells toward areas adjacent to the Demilitarized Zone on the western and central sectors of the front.

U.S. Urged To Withdraw Troops From Japan

SK0211053395 Pyongyang KCNA in English 0426 GMT 2 Nov 95

["Disturbers of Peace and Stability" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 2 (KCNA) — The U.S. ruling circles are opposing the reduction of the Okinawa-based U.S. Forces under the unreasonable pretext of "military threat from North Korea," describing the U.S.-Japan relations as "the mainstay of the stability in the Asian-Pacific region." They have had under discussion the transfer of some of the U.S. military function to another area of Japan from the island and the stationing of the Okinawa-based U.S. Marines in South Korea.

In a commentary NODONG SINMUN today says this is a vicious challenge to the Korean people and the world's peaceloving people who are calling for an early withdrawal of U.S. troops from South Korea and its vicinity.

The United States intends to put the nations in the Asian- Pacific region under its military control, keeping hold on Okinawa, the paper says, and continues:

The Okinawa-based U.S. Forces are directing the spearhead of attack to the Korean peninsula. Warplanes participating in military exercises staged in South Korea almost every day are based on the island and the Japan proper.

Meanwhile, the Japanese reactionaries are keeping U.S. troops on the island and the Japan proper allegedly for "security", in a bid to turn Japan into a military power, reinvade Korea and launch overseas expansion. This is why they, bowing to U.S. pressure, are going to increase Japan's share of the cost of maintaining U.S. forces in Okinawa.

"Military threat from North Korea" the U.S. ruling circles are clamouring about is a fiction aimed at justifying the U.S. military occupation of South Korea and Japan. Our "military threat" in the Asian-Pacific region has never existed.

The United States must withdraw its aggression forces and military bases not only from South Korea but from Japan, instead of keeping its troops stationed there indefinitely under the unjustifiable pretext, which does not go down with anyone.

Chongnyon Official Newspaper's Anniversary Marked

SK2910085895 Pyongyang KCNA in English 0806 GMT 29 Oct 95

[FBIS Transcribed Text] Tokyo, October 27 [date as received] (KNS-KCNA) — A meeting wad held in Tokyo on October 26 to mark the 50th anniversary of CHOSON SINBO, the official newspaper of the General Association of Korean Residents in Japan (Chongnyon).

Han Tok-su, chairman of the Chongnyon Central Standing Committee, made a congratulatory speech and, then, Pak Jae-ro, vice-chairman of the Chongnyon Central Standing Committee and general director of the CHOSON SINBO office, made a report at the meeting. The reporter reviewed the tremendous achievements made by CHOSON SINBO for the chuche cause and the movement of Koreans in Japan over the past five decades. A true mouthpiece of Chongnyon and Koreans in Japan, the newspaper has made press activities with the pen of chuche, the pen of patriotism, under difficult conditions in an alien land, smashing the subversive activities and ideological campaign of all the reactionaries.

He outlined tasks to actively fulfil the resolutions of the 17th congress of Chongnyon, an embodiment of the letter of respected Comrade Kim Chong-il to Chongnyon and Koreans in Japan, and develop the press activities of Chongnyon onto a higher stage as required by the new era, true to the behests of the great leader President Kim Il-song.

A letter to Comrade Kim Chong-il was adopted at the meeting.

Paper Condemns Japan for Refusing To Apologize

SK2910092595 Pyongyang KCNA in English 0832 GMT 29 Oct 95

["Most Heinous National Chauvinism" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 29 (KCNA) — NODONG SINMUN today condemns the Japanese authorities for refusing to admit, apologize and compensate for the immeasurable misfortunes, pains and damage upon the Asian people including the Korean people, while crying for the damage by atomic bombs during World War II.

This shows that the Japanese authorities are continuously pursuing the past policy of national chauvinism, the news analyst says, and goes on:

The Japanese authorities are evading national admission of, apology and compensation for the past crime.

The criminal acts of the Japanese imperialists are raised in the textbooks of history, and equivocated and enfeebled in an unavoidable case.

It is openly said in Japan that it was defeated because its strength was weak in the past. Arms buildup is being stepped up in Japan.

This shows that the Japanese reactionaries still have their ambition to build up their strength and realize the desire failed by the Japanese imperialists, and dominate and control other nations.

The Japanese imperialists were ruined in the past while looking down upon other nations and trying to enslave them forever.

If the Japanese authorities think that they can dominate and enslave Asian people, it is a preposterous daydream.

The Asian people hope they will sincerely liquidate their past.

Kim Chong-il Receives Gift From PRC Delegates

SK2810111195 Pyongyang KCNA in English 1029 GMT 28 Oct 95

[FBIS Transcribed Text] Pyongyang, October 28 (KCNA) — The great leader Comrade Kim Chong-il received a gift from the visiting delegation of former Chinese People's Volunteers (CPV).

The gift was handed to Vice Marshal of the Korean People's Army Kim Kwang-chin by Colonel General Shi Yuxiao, political commissar of the Guangzhou military district of the Chinese People's Liberation Army, who is leading the delegation.

Agricultural Delegation Returns From China

SK3010015795 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 27 Oct 95

[FBIS Translated Text] On 26 October, a delegation of the Union of Agricultural Working People of Korea [UAWPK] led by Choe Song- suk, chairperson of the UAWPK Central Committee, arrived in Pyongyang by train after winding up its visit to China.

The delegation was welcomed at Pyongyang Station by Yi Chong-won, vice chairman of the UAWPK Central Committee, and a counselor of the Chinese Embassy in our country.

PRC Friendship Delegation Arrives in Pyongyang

SK3010055095 Pyongyang KCNA in English 0312 GMT 30 Oct 95

[FBIS Transcribed Text] Pyongyang, October 30 (KCNA) — A friendship delegation of Heilongjiang

Province of China led by Liu Hanwu, vice-chairman of the Standing Committee of the Heilongjiang Provincial People's Congress, arrived here on October 29.

Russian Parties Support Proposal for DCRK

SK3010103495 Pyongyang KCNA in English 0308 GMT 30 Oct 95

[FBIS Transcribed Text] Pyongyang, October 30 (KCNA) — The movement for supporting the proposal to found the Democratic Confederal Republic of Koryo (DCRK) is being briskly conducted in Russia on the occasion of the 15th anniversary of the advancement of the proposal.

The Union of Communist Parties-the Communist Party of the Soviet Union, the All-Union Communist Party of Bolsheviks, the Russian Communist Workers' Party, the "Working Russia" Movement, the Russian Free Patriotic Party for "Revival" and the "Left Russia" Party made public a joint statement on October 24.

The statement said that the most reasonable and realistic way for peaceful reunification of Korea is only to found a confederal state as indicated by the great leader Comrade Kim Il-song.

To this end we demand immediate abolition of the "National Security Law," demolition of the concrete wall and removal of all the institutional and physical obstacles against reunification in South Korea, the statement pointed out.

It called upon all the progressive forces of the world to express support and solidarity with the struggle of the Korean people to reunify the country by means of confederacy.

A solidarity meeting was held in Moscow on October 26 under the sponsorship of the Russian Association for Friendship and Cultural Cooperation With the DPRK.

The meeting expressed the belief that the proposal for founding the DCRK would be realised without fail under the wise leadership of the great leader Comrade Kim Chong-il.

A letter to Comrade Kim Chong-il was adopted at the meeting.

Lao Party Leader on People's Achievements

SK2810110895 Pyongyang KCNA in English 1022 GMT 28 Oct 95

[FBIS Transcribed Text] Pyongyang, October 28 (KCNA) — Maichantan Sengmani, member of the Political Bureau of the Central Committee of the Lao People's Revolutionary Party and head of the central party-state control commission, stressed that Korea today has been turned into a socialist country with modern industry, agriculture and defence capacity under the wise guidance of the great Comrade Kim Chong-il.

He said in an interview with KCNA prior to his departure that he was deeply moved to see achievements made by the Korean people during his visit.

He went on:

"We witnessed the singlehearted unity of the leader, the party and the popular masses and realised how deep are the ties of kinship between the people and the Army.

"Today the revolutionary cause started by the respected leader Comrade Kim Il-song is being creditably carried forward by the great leader Comrade Kim Chong-il in Korea.

"Korea has gained great achievements in training able men sound in ideology and strengthening the party by giving priority to ideological work.

"All the achievements made by the Workers' Party of Korea, giving priority to ideological work, are valuable experiences for us."

Reception Marks Cambodian King's Birthday

SK3110051295 Pyongyang KCNA in English 0432 GMT 31 Oct 95

[FBIS Transcribed Text] Pyongyang, October 31 (KCNA) — The Foreign Ministry of the Democratic People's Republic of Korea gave a reception at the Mansudae Assembly Hall here Monday to mark the 73rd birthday of His Majesty King Norodom Sihanouk.

Cambodian Ambassador to Korea Oum Mannorine and his embassy officials were invited.

In his speech Vice-premier and Foreign Minister Kim Yong-nam said his majesty king is a prominent statesman of Cambodia and a close friend of the Korean people and he has devoted all efforts to the sovereignty of the country and the dignity of the nation, holding fast to his faith in diversified adversities.

He also said the Cambodian people, true to his majesty respected king's noble intention of patriotism, have made strenuous efforts to promote national reconciliation and unity, rebuild the country and create a new life and the international prestige of the Kingdom of Cambodia is ever mounting.

"The great leader Comrade Kim Chong-il has valued friendly relations with Cambodian people, which were provided and cultivated by the fatherly leader President Kim Il-song, and always told us to further develop the relations," he said. "We will make every possible effort to further develop friendship between the two countries, true to the behests of the great leader President Kim Il-song and the intention of respected General Kim Chong-il."

In his speech the Cambodian ambassador said the particular fraternal relations of friendship between the two countries, which were established and strengthened by His Majesty King Norodom Sihanouk and his excellency respected Generalissimo Kim Il-song, the great leader, have existed for several dozen years.

He noted that His Excellency Marshal Kim Chong-il, the successor to his excellency generalissimo, continues giving firm solidarity to the Cambodian people and has made efforts to strengthen the traditional relations of friendship and cooperation between two countries, which have a history of scores of years.

"The Cambodian people will as ever remain on the side of the Korean people and express invariable, full support for all the policies of the Democratic People's Republic of Korea for the establishment of a new peace mechanism between the DPRK and the United States and for peace and security in the Korean peninsula," he declared.

Belgian Party Leader: WPK 'Brilliant Example'

SK2810151195 Pyongyang KCNA in English 1507 GMT 28 Oct 95

[FBIS Transcribed Text] Pyongyang, October 28 (KCNA) — The Workers' Party of Korea [WPK] has held fast to the independent stand and set a brilliant example in combining independence with internationalism, Chairman of the Central Committee of the Belgian Labour Party Ludo Martens noted.

Referring to the problem of defence upbuilding in socialist countries, he recently wrote in an article titled "Historical Lesson From Collapse of the Soviet Union" that the DPRK set an example in self-reliant national defence upbuilding under socialism.

The self-reliant national defence policy of the WPK is a good example which all the socialist countries should follow, and its might and vitality were proved in the Korean war fought against the mighty United States and many other subsequent opportunities, he noted and went on:

"Comrade Kim Il-song put forward the idea that one should be responsible for the revolution of one's country in carrying it out and one should creatively apply Marxism-Leninism to one's country in conformity with its historical conditions and national peculiarities. His idea on independence and proletarian internationalism serves as a guide to the activities of all the communist and workers' parties struggling for socialism at present time."

Brazilian Delegation Arrives in Pyongyang 28 Oct

SK2810215495 Pyongyang KCNA in English 1509 GMT 28 Oct 95

[FBIS Transcribed Text] Pyongyang, October 28 (KCNA) — A delegation of the Brazilian Democratic Movement and the Brazil-Korea Friendship Association led by Marcelo Barbier, first vice-chairman of the movement, arrived in Pyongyang on October 28.

It was met at the airport by Secretary Hwang Chang-yop of the Central Committee of the Workers' Party of Korea, Vice Department Director Pak Kyong-son of the party Central Committee, and Yang Tal- chu, vice-chairman of the Korean Society for Cultural Relations With Foreign Countries and chairman of the Korea-Brazil Friendship and Cultural Association.

Entertained at WPK Reception

SK2910103895 Pyongyang KCNA in English 0818 GMT 29 Oct 95

[FBIS Transcribed Text] Pyongyang, October 29 (KCNA) — The Central Committee of the Workers' Party of Korea [WPK] gave a reception for the delegation of the Brazilian Democratic Movement and the Brazil-Korea Friendship Association at the Mansudae Assembly Hall on October 28.

Hwang Chang-yop, secretary of the WPK Central Committee, said in his speech at the reception that to develop the friendly relations with Brazil is the behests of the great leader Comrade Kim Il-song and the firm will of the Workers' Party and people of Korea.

Noting that the Workers' Party and people of Korea will always support the independent cause of the Brazilian people in the idea of independence, peace and friendship, he said that they will make every effort to develop the friendly relations between the two countries.

Marcelo Barbier, first vice-chairman of the movement and head of the delegation, said in his speech that his excellency the great leader President Kim Il-song made a great contribution to the liberation of the country, the building of a new society and the peaceful reunification of the country. The Brazilian people will actively strive to develop the friendly relations with the Korean people, he said. He expressed full support to the struggle of the Korean people for the reunification of the country.

Holds Talks With WPK Delegates

*SK3010104095 Pyongyang KCNA in English
1025 GMT 30 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 30 (KCNA) — Talks were held here on Monday between the delegations of the Workers' Party of Korea [WPK] and the Brazilian Democratic Movement.

Present there on the Korean side were secretary Hwang Chang-yop, vice-director of a department Pak Kyong-son of the WPK Central Committee and other officials concerned, and on the opposite side were the members of the delegation led by First Vice-Chairman of the Movement Marcelo Barbier [spelling of name as received] .

At the talks both sides discussed the matter of developing the friendly and cooperative relations between the two parties and the two peoples and exchanged views on a series of issues of common concern.

Meets With Yi Chong-ok 2 Nov

*SK0211105295 Pyongyang KCNA in English
0853 GMT 2 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 2 (KCNA) — Yi Chong-ok, Politburo member of the C.C. [Central Committee], the Workers' Party of Korea and vice-president of the DPRK, met and had a friendly talk with the visiting delegation of the Brazilian Democratic Movement and the Brazil-Korea Friendship Association led by Marcelo Barbier, first vice-chairman of the movement, at the Mansudae Assembly Hall today.

The head of the delegation said on the occasion that he was greatly moved to see the great changes the Korean people brought about in the building of a new society. These achievements could be made as they worked hard in a singlehearted unity under the wise leadership of His Excellency the Great Kim Chong-il, he stressed.

Foreign Delegations Visit Mansu Hill

*SK3010055395 Pyongyang KCNA in English
0311 GMT 30 Oct 95*

[All names as received]

[FBIS Transcribed Text] Pyongyang, October 30 (KCNA) — A delegation of the Brazilian Democratic Movement and Brazil-Korea Friendship Association led by Marcelo Barbier, first vice-chairman of the movement, a delegation of Bulgarian Ministry of Foreign Affairs led by Stanislav Bayev, its department director, and a friendship delegation of Heilongjiang Province of China led by Liu Hanwu, vice-chairman of the Standing Committee of the Heilongjiang Provincial People's Congress of China, visited the statue of the great leader President Kim Il-song on Mansu Hill here to pay homage to him.

Visit Kumsusan Memorial Palace

*SK3010060395 Pyongyang KCNA in English
0309 GMT 30 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 30 (KCNA) — A delegation of the Brazilian Democratic Movement and the Brazil-Korea Friendship Association led by Marcelo Barbier, first vice-chairman of the movement, on October 29 visited Kumsusan Memorial Palace in which the great leader President Kim Il-song is preserved in state, and paid its respect to him.

The head of the delegation wrote in the visitor's book that he saw in humble reverence President Kim Il-song, who devoted everything to the prosperity of the Democratic People's Republic of Korea, and he was struck by the reverence of the Korean people for President Kim Il-song.

A delegation of Bulgarian Ministry of Foreign Affairs led by its Department Director Stanislav Bayev paid homage to President Kim Il- song on the same day.

Russian Visitors Laud Kim Il-song, Kim Chong-il

*SK3010150695 Pyongyang KCNA in English
1504 GMT 30 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 30 (KCNA) — Retired General Nikolay Ryashenko, a hero of the former Soviet Union, and Vladimir Tolstikov, chairman of the Russian Association for Friendship and Cultural Cooperation With the Democratic People's Republic of Korea, who visited Korea a few days ago, praised the imperishable exploits of the respected leader Comrade Kim Il-song, and the great leader Comrade Kim Chong-il for adhering to and adding lustre to his revolutionary cause.

"I highly respect and revere the respected leader Comrade Kim Il- song as the greatest man unforgettable in my life," Nikolay Ryashenko said, and continued:

"At the moment when I met him in Korea soon after Korea's liberation, Comrade Kim Il-song strongly impressed me as an outstanding political activist and military strategist as well as the man of great erudition in all sectors including the national economy."

"Witnessing the successful fulfillment of revolutionary tasks of various stages and the shining world-startling changes in Korea nearly fifty years since then, I felt more keenly that Comrade Kim Il-song is the matchlessly great man possessed of perfect talents and distinguished leadership ability as a politician."

"Comrade Kim Il-song was a genuine people's leader who ardently loved the people."

"What is most important in great achievements made by the great Comrade Kim Il-song is that he had creditably settled the question of inheritance of leadership with clairvoyant far-sightness. The revolution and construction is being carried on as successfully as ever and socialism defended with credit in Korea, just as before the death of the leader."

Vladimir Tolstikov said:

"The great leader Comrade Kim Chong-il is standing in the van of the Korean people."

"He is the man with unusual wisdom, rich experiences and outstanding leadership ability."

"The Korean people, who are making revolution under the guidance of the outstanding leaders generation after generation, are the most proud and happy people."

Kim Chong-il Receives Greetings From Abroad

SK2910085795 Pyongyang KCNA in English 0802 GMT 29 Oct 95

[All political party leaders' names are as received]

[FBIS Transcribed Text] Pyongyang, October 29 (KCNA) — The great leader Comrade Kim Chong-il received a congratulatory telegram from Angolan President Jose Eduardo dos Santos on the 50th anniversary of the Workers' Party of Korea [WPK].

He also received congratulatory telegrams from the following foreign party leaders on the same occasion: Iqbal Ahmed Khan, general secretary of the Pakistan Muslim League; Bishunu Bahadur Manandar, general secretary of the Central Executive Committee of the Nepal Communist Party (United); Samboram Shrestha, secretary general of the Central Committee of the Nepal Communist League; Masayoshi Takemura, leader of the Japan New Party Sakigake; Farouk Dahrouj, general secretary of the Central Committee of the Lebanese Communist Party; Gus Hall, national chairman of the Communist Party of the United States of America; Sam Marcy, chairman of the Workers World Party of the United States of America; Maxim Henry Wilson, general secretary of the People's National Party of Jamaica; Miguel Mejia, secretary general of the United Left Movement of Dominica; and Carlos Dias Da Graca, secretary general of the Liberation Movement-Social Democratic Party of Sao Tome and Principe.

They extend warm congratulations to Comrade Kim Chong-il on the 50th anniversary of the WPK and wish him a long life in good health. They express the belief that the WPK and the Korean people under the wise leadership of Comrade Kim Chong-il will complete the socialist cause pioneered by the great leader President Kim Il-song and reunify their country at an early date.

Meeting Marks Kim Chong-il Visit to Tangun Tomb

SK3010060295 Pyongyang KCNA in English 0307 GMT 30 Oct 95

[FBIS Transcribed Text] Pyongyang, October 30 (KCNA) — A meeting was held at the state theatre Saturday on the lapse of one year since the great leader Comrade Kim Chong-il gave on-site guidance to the Tomb of Tangun, who was the king of ancient Korea.

The great leader President Kim Il-song saw to it that Tangun, who had been known as a mysterious being by distortion of the Japanese imperialists and flunkeyist historians, was proven to be a real person, the first king of the nation and he had Tangun's Tomb built splendidly as the tomb of the founder of the nation.

The great leader Comrade Kim Chong-il inspected the rebuilt tomb on October 29, 1994. He said that the tomb should be well preserved as a national treasure which will be handed down to the posterity.

Addressing the meeting, Chang Chol, vice-premier of the Administration Council, said that a new turn should be effected in implementing the party's policy of cultural preservation, keeping in mind the immortal exploits performed by the great leader Comrade Kim Chong-il in the preservation of cultural relics.

Kim Chong-il Thanks Units, Working People

SK3110050995 Pyongyang KCNA in English 0418 GMT 31 Oct 95

[FBIS Transcribed Text] Pyongyang, October 31 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to the associated rolling-stock bureau and the associated rail construction bureau under the Ministry of Railways, the Taean Heavy Machine Complex and other units for their contributions to the construction of a rolled steel wheel branch factory.

He also thanked the builders of dwelling houses in South Pyongan Province and the Sonam tunnel.

Kim Chong-il Sends Birthday Table to Ex-Manager

SK3110051095 Pyongyang KCNA in English 0416 GMT 31 Oct 95

[FBIS Transcribed Text] Pyongyang, October 31 (KCNA) — The great leader Comrade Kim Chong-il sent a 70th birthday table to Chang Ok- sun, former manager of the Kanggye wine factory.

The table is associated with the warm love of Comrade Kim Chong-il who values and takes care of every revolutionary soldier.

Chang Ok-sun overfulfilled the plan of the factory every year by firmly consolidating its material and technical foundation and making good use of its raw material base over the past 30 years when she worked as the manager of the factory.

Yi Chong-ok Attends Performance of Art Festival

SK3010062495 Pyongyang KCNA in English 0317 GMT 30 Oct 95

[FBIS Transcribed Text] Pyongyang, October 30 (KCNA) — Senior party and government officials on October 28 appreciated combined performance of the National People's Art Festival which was held to mark the 50th anniversary of the Workers' Party of Korea [WPK].

The performance was seen by Yi Chong-ok, Pak Song-chol, Choe Kwang, Kim Yong-nam, Chon Pyong-ho and other senior party and government officials, members and alternate members of the WPK Central Committee in Pyongyang, leading officials of commissions and ministries of the Administration Council, and working people in the city.

The performers sang of the immortal feats of the fatherly leader President Kim Il-song who devoted his whole life to the country and the people, the party and the revolution.

They vividly showed the steadfast faith and firm will of our people to defend and further glorify our-style socialism centred on the popular masses and accomplish the chuche revolutionary cause, upholding the leadership of the great leader Comrade Kim Chong-il who is the great leader President Kim Il-song today with loyalty and filial piety in one mind.

Release of Series of New Scientific Films Noted

SK3010220895 Pyongyang KCNA in English 1514 GMT 30 Oct 95

[FBIS Transcribed Text] Pyongyang, October 30 (KCNA) — The Korean Scientific and Educational Film Studio has recently produced a series of scientific films.

Among them are "Cultivation of Rye, Green Manure Crop After Maize," "Quick Hedge and Plant Fence," "Small Power Station With Vertical Axis Turbine," "Waste Gas and Phosphorus," and "Agricultural Know-How No. 18".

The scientific film "Cultivation of Rye, Green Manure Crop After Maize" shows that rye is as good for the growth of maize as a humus pot because it stands the cold well and it fertilizes maize fields on the highest level with less amount of seed.

It also deals with new method of furrow cultivation of rye and its advantages.

The scientific film "Quick Hedge and Plant Fence" tells that the quick hedge and plant fence are very instrumental in preventing noise pollution and providing the people with good life environment through fresh air and increased plant area.

The scientific film "Small Power Station With Vertical Axis Turbine" is popular among the people because it deals with the experience of the Sangwon Cement Complex in generating electricity with two-metre head of water through the introduction of a vertical axis turbine into a small power station.

The scientific film "Waste Gas and Phosphorus" tells that the waste gas from all kinds of farm machines in operation helps phosphorus in the soil promote the growth of rice.

The film tells that the waste gas which is once blown into paddy field when rice seedlings are transplanted contributes to an increase of 200 or 300 more kilograms of rice per hectare. It gives an elucidation of machines and shows how to blow the waste gas into the soil.

Besides, the studio has produced many other scientific films for various domains of the national economy, including "Agricultural Know-How No. 18" showing the advantages of a maize sowing machine, a multipurpose tractor-drawn farm machine to be operated on dry fields and an underground crusher.

South Korea

Seoul-U.S. Military Committee Meeting Opens

SK0211025395 Seoul YONHAP in English 0222 GMT 2 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 2 (YONHAP) — South Korea and the United States opened its 17th Military Committee Meeting (MCM) Thursday and agreed to make joint efforts to prevent war on the Korean peninsula.

Military officers from the two nations also agreed that North Korea still poses a military threat to South Korea, sending armed agents to the South even recently, and that they should maintain firmer combined military preparedness against such a threat.

Gen. Kim Tong-chin, chairman of South Korea's Joint Chiefs of Staff (JCS), led the Korean delegation while Gen. John Shalikashvili, chairman of the U.S. JCS, headed the U.S. team in the meeting.

Gen. Kim said in his opening address that North Korea is trying to break up the South Korea-U.S. Joint Defense System through its bid to replace the current Armistice Agreement with a peace accord with the United States.

Gen. Kim said that the meeting should make North Korea recognize that all matters concerning the Korean peninsula must be resolved between South and North Korea.

Meanwhile, Gen. Shalikashvili said in his opening address that an infringement on South Korea's security is as well an infringement on the U.S.' security.

U.S. Agrees To Start Talks on SOFA Late Nov

SK0211102595 Seoul YONHAP in English 0958 GMT 2 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 2 (YONHAP) — South Korea and the United States Thursday agreed to start talks later this month to review the Status of Forces Agreement (SOFA) governing legal status of U.S. servicemen stationed in Korea.

In a joint press conference held at the Foreign Ministry, Foreign Minister Kong No-myong and U.S. Secretary of Defense William Perry said that they agreed to "establish a special ROK-U.S. committee that would conduct an expedited review of the jurisdiction issue, with the goal of completing its work within two months of its first meeting."

A joint press statement said that the two sides further agreed that "the expedited review would be guided by the precedents set in the other agreements with U.S. allies and by the principle of comparable treatment of U.S. personnel."

Explaining that the talks will be proceeded in a two-track procedure, they said that other SOFA issues like environment and labor will also be reviewed in another forum at the same time.

"Both reviews would begin during the week of November 27, 1995," the statement said.

In an ensuing question and answer session, U.S. Assistant Defense Secretary Joseph Nye said that the statement "showed the goodwill and high respect which we (South Korea and the U.S.) have for stability and prosperity of the Korean Peninsula."

Nye, however, hoped that the talks on the revision of the SOFA will focus on revision to the procedures related to the implementation of the SOFA rather than changing the SOFA itself.

"What I'm trying to explain is that you can have changes in the language of SOFA and procedures, but sometimes procedures may be more important" he said.

Noting recent changes in the Japanese SOFA, Nye said that Japan and the United States agreed not to make any changes in the SOFA but made some changes in procedures in which the Japanese can detain American servicemen before their indictment in special circumstances involving such heinous crimes as murder or rape.

Nye also said that the Japanese SOFA is better than SOFAs which his country has agreed with its European allies, adding that the Korea-U.S. SOFA talks should also consult the European SOFAs which stipulate that American servicemen be handed over to the authorities of host countries after they are sentenced.

Background of DPRK Promulgation of Finance Law

SK0211120895 Seoul CHOSON ILBO in Korean 2 Nov 95 p 31

[FBIS Translated Text] A session of the Standing Committee of North Korea's Supreme People's Assembly has recently adopted the "Finance Law." MINJU CHOSON, North Korea's government-run newspaper, recently carried in installments articles explaining this law. The law consists of five chapters and 55 paragraphs. The five chapters are the "Basics of the Finance Law," the "State Budget," the "Finance of Government Offices, Enterprises, and Public Organizations," the "Financial Summation," and the "Guidance on and Control Over Financial Affairs."

It is believed that North Korea adopted the Finance Law to streamline various regulations on state finance to suit the changing economic situation and further strengthen the function and role of "socialist finance." An expert well versed in the North Korean economy says: "The text of the law has not yet been made public. Still, North Korea adopted the law to more systematically handle state financial affairs, which had been handled according to regulations stipulated in the Constitution and other laws related to financial affairs."

He also says that North Korea adopted the Finance Law to streamline various economic regulations in step with the adoption of various laws and regulations in connection with the opening up of the Najin-Sonbong region, adding that this is proven by the fact that Chapter

One notes a need to "develop exchange and cooperation with foreign countries and international organizations in the field of finance." Meanwhile, in an effort to invite foreign investment, North Korea has so far promulgated, among other laws, the "Socialist Commerce Law" (April 1992), the "Underground Resources Law" (April 1993), the "Construction Law" (December 1993), and the revised "Joint Venture Law" (December 1994). Another purpose of the promulgation of the Finance Law is to make clear the principle on the operation of the socialist economy to ensure that the opening up of the Najin-Sonbong region does not affect the rest of North Korea. This is proven by the fact that in the explanation on the law, MINJU CHOSON repeatedly stresses "state finance" and "socialist finance" and points out that "financial management under a unified system and in a planned way is an important principle of socialist financial management." Meanwhile, North Korea makes it clear in this law that state funds must be accumulated and distributed according to plan and stresses a need for local economies to solve financial problems on their own and increase their share of the national economy.

Dailies View PRC President's Visit, Ties

SK0211125595

[FBIS Editorial Report] The following is a compilation of editorials carried in two Seoul vernacular newspapers on 2 November concerning the state visit of PRC President Jiang Zemin to the ROK from 13 to 17 November.

The moderate TONG-A ILBO publishes on page 3 a 1,000-word editorial titled "President Jiang Zemin's Historic Visit to the ROK." The editorial notes that the significance of the state visit of President Jiang to the ROK is particularly great, because his visit as the president of the PRC is the first such occasion in history. During a short three-year period since diplomatic relations were established between the two nations, the ROK and PRC have developed a mutually cooperative, partner relationship centered on economic ties. Noting that China is our third largest trading partner in the world while the ROK is the sixth largest for China, the editorial anticipates that the trade between the two nations is expected to exceed $15 billion this year. The editorial goes on to say that "the situation on the Korean Peninsula is extremely unstable due to: the North Korean nuclear problem; severed North- South dialogue; North Korea's maneuvers to unilaterally destroy the armistice regime; the North's attempt to conclude a peace agreement with the United States; and the delay in Kim Chong-il's official succession to power. At this time, President Jiang Zemin's visit is of particular importance." The editorial points out that although China has made it clear on many occasions that it will carry out diplomacy with the ROK and North Korea based on the principle of independence and sovereignty, China is still maintaining "special relations" with the DPRK based on the PRC-DPRK friendship and alliance treaty, while its relations with the ROK have remained only an "expansion of economic cooperation."

The editorial writes that our people pay great attention to whether it is possible or not for China to demand a revision of the PRC-DPRK friendship and alliance treaty with North Korea, just like Russia which recently informed North Korea of the amendment of its treaty with North Korea. The editorial points out that "as long as China maintains a double-dealing attitude of regarding the ROK merely as a partner for economic cooperation while unilaterally supporting North Korea in the political and security domains, genuine friendship and cooperative relations between the PRC and the ROK cannot be realized." Noting Presidents Kim and Jiang will widely exchange views on the international situation, including peace on the Korean Peninsula and stability in Northeast Asia, as well as the issue of promoting economic cooperation, the editorial writes that when economic cooperation between the two countries develops into "political and military cooperative relations" prompted by President Jiang's visit, it will greatly contribute to the "stability and prosperity of Northeast Asia." The editorial concludes by expressing the hope that President Jiang's upcoming visit will establish momentum for developing ROK-PRC cooperative relations into "multilateral good-neighbor, friendly relations."

The moderate KYONGHYANG SINMUN carries on page 3 a 900-word editorial titled, "Concerning President Jiang Zemin, We Wish...." The editorial says that PRC President Jiang Zemin's visit to the ROK has the symbolic meaning that the Chinese leadership, which gained practical political and economic benefits from the ROK by using North Korea as a lever even after the establishment of diplomatic relations between the ROK and the PRC in 1992, "is now slowly moving the center of gravity in Chinese policy on the Korean Peninsula toward the ROK side." The editorial writes that despite the visits of two ROK presidents to China in the past since the establishment of mutual diplomatic relations, China delayed President Jiang's visit up until now, thus evoking the displeasure of the ROK people. However, the editorial notes, the delay must have been prompted by "China's unwillingness to rapidly spoil its political and military alliance with North Korea."

Pointing to ever-increasing economic and trade cooperation and exchanges between the ROK and PRC and to "brilliant successes" in these domains, the editorial notes that the ROK has obtained access to enormous markets while China has gained access to inexpensive, secure experience in and data concerning the ROK's economic development. However, the editorial emphasizes, despite close mutual cooperation in the economic field, the two nations have failed to satisfactorily develop cooperation in the political and security domains due to China's relations with North Korea. Noting that "China has skillfully taken advantage of North-South confrontation, including the spoiling of the ROK's policy to pressure North Korea through such things as an economic blockade with a view to solving the North Korean nuclear problem," the editorial says that China has thus expanded its practical economic interests, and such a position will not drastically change even with President Jiang's visit. However, his visit itself is of great significance in that the visit is to demonstrate China's clear will to seek stability on the Korean Peninsula.

The editorial points out that our people hope that China, the nation that exercises the most powerful influence over North Korea, will play a political role for North Korea's reform and opening up, as well as for removing North-South tensions, by persuading North Korean authorities of the need to open and improve North-South relations.

No Denies Accepting Firms' Money as Kickbacks

SK0211022695 Seoul THE KOREA HERALD in English 2 Nov 95 p 1

[FBIS Transcribed Text] Former President No Tae-u gave the names of some business leaders who made donations to him during questioning at the prosecution yesterday, though he denied having awarded them illicit favors in return for the money.

On the basis of his testimony, the prosecution will begin summoning businessmen implicated today, prosecution sources said.

They said No will be summoned again later this month after the probe of business leaders. Whether to arrest him will be decided then, they added.

No returned home around 2 a.m. today after undergoing questioning for over 16 hours at the Prosecutor-General's Office. He presented himself to the office around 9:45 a.m., the first former President summoned for suspected wrong-doings committed while in office.

Questioning focused on determining the size of slush money and from whom and how it was raised, said Senior Prosecutor An Kang-min during a briefing to reporters.

No admitted last week that he had raised 500 billion won ($654 million) in slush funds while in office from 1988 to 1993. Reference documents he sent to the prosecution later showed that he was still keeping 185.7 billion won. The probe was being expanded to check whether any money had been funneled to secret foreign accounts, An said.

Opposition legislators alleged recently that No diverted all or part of a huge amount of kickbacks he allegedly accepted in deal to buy 120 F-16 jet fighters from General Dynamics of the United States. The company denied the allegation.

The suspicion arose after No's daughter, No So-yong, and her husband were convicted in a U.S. federal court for violating currency laws.

They were charged with bringing nearly $200,000 in cash into the United States and depositing it in 11 banks in California in 1990 during No's presidency.

They were given suspended one-year sentences. U.S. prosecutors found that the cash came from a Swiss bank account, raising suspicion that No had raised and hidden money during his presidency.

Prosecutor An said he also instructed interrogators to question No on possible irregularities involving relatives, particularly with regard to the allegation that No might have hidden some of his secret funds in real estate in their names.

Through the questioning which continued past midnight, No disclosed the names of some business leaders who made donations to him, according to prosecution sources.

About 50 major companies reportedly gave money to No. They could face bribery charges.

No, however, denied having accepted the money in kickbacks for awarding them government contracts. He also denied having received bribes in connection with the military arms procurement project, the Seoul-Pusan high-speed railroad project and other major programs.

Prosecutor An also told reporters that the prosecution will also look into the allegation that some of the money was funneled into the 1992 presidential campaign of President Kim Yong-sam.

No, however, was said to have declined to testify on the subject.

The questioning began at an interrogation room at the bureau after a brief exchange of greetings between No and prosecutors, according to An.

The prosecutors did not clarify whether the summons would lead to the arrest of No. They only said that the investigation would take time and require another summons.

They hinted that they will summon him again later this month after completing their tracking of slush-money accounts and a probe of business leaders implicated.

No arrived at the Prosecutor-General's Office around 9:45 a.m., about 20 minutes after he left his Yonhi-tong residence.

"I'm sorry to the people," said a somber-faced No as he entered the building past several hundred reporters, his head slightly bowed.

Tight security was in force to prevent possible disturbances.

Before the questioning began, No was quoted as saying, "As a man who once served as president, I will receive this questioning in consideration of the future of the nation."

"I feel sorry for causing you trouble with my problems," he was also quoted as telling the interrogators.

The prosecution conveyed the verbal summons to No Monday, after examining documents submitted by No in regard to his slush funds.

Public pressure has recently been mounting to arrest No, a former Army general who served as president for five years from February 1988. Some political analysts predicted that he will be put on trial.

The law calls for a prison term of more than 10 years and less than life for any public servant found guilty of receiving bribes in excess of 50 million won.

No former President has been legally punished for past acts, although No's predecessor, Chon Tu-hwan, was also disgraced for corruption.

Months after he left office in 1988, Chon was forced to apologize, donate the leftover of his political funds to the state and go into exile at a remote Buddhist temple for more than two years.

Presidential Secretary: No's Summons Unfortunate

SK0211042595 Seoul THE KOREA TIMES in English 2 Nov 95 p 2

[FBIS Transcribed Text] Chongwadae [presidential offices] officials yesterday expressed regret over former president No Tae- u's being summoned by the prosecution for interrogation on the massive slush funds he allegedly raised while in office.

"It's unfortunate for a former head of state to be summoned by law enforcement authorities on suspicion of illegal money-making," said a senior presidential secretary, adding, "It will be another blemish on our Constitutional history."

When asked about the mood of President Kim Yong-sam, the secretary said, "He has nothing to say about this. Now the ball is in the prosecution's court."

The secretary, requesting the customary anonymity, said that President Kim's hardline stance on No's case should not be interpreted as a sign of his intention to purge former followers of ex-presidents Chon Tu-hwan and No within the ruling Democratic Liberal Party [DLP].

In a breakfast meeting with key officeholders of the DLP, Kim hinted he will continue to keep in his fold those leading members of the party, most of whom had close connections with Chon and No, when he said those politicians must also feel betrayed.

"It is right for President Kim to make them feel at ease over their past connections with the old regimes," the official said. "What he seeks now is to sever ties with wrong practices (of receiving political kick-backs), not to negate all things and figures of the past."

Also expressing deep regret over No's becoming the first former president ever to be called by the prosecution for a probe, another high-ranking Chongwadae official said that few business leaders will be investigated by authorities in connection with the No slush fund case.

"Political contributions by big business leaders were customary during the former military regimes," the official said.

He also said that apprehension concerning probable adverse economic side-effects is another factor which restrains the law enforcement authorities from launching extensive investigations of business leaders.

The official, however, said that a few businessmen who were deeply involved in No's money laundering or received big favors from No in return for "political donations" would have to face intensive prosecution probes.

Business Community Said Tense During No's Probe

SK0211023195 Seoul THE KOREA HERALD in English 2 Nov 95 p 8

[FBIS Transcribed Text] Tensions are running high again among the local business community as former President No Tae-u underwent questioning over his slush funds yesterday.

Most large businesses, strongly hoping for an early end to the prosecution's investigation into the secret fund scandal, are in full alert for fear of whether No might name specific companies which were directly involved in the creation and management of No's slush funds.

Some conglomerates, especially those which have been rumored to have been directly involved in the scandal, are busy working out measures against the prosecution's possible questioning of their group heads and financial officials.

They predict the summons would take place early next week at the earliest.

Among the most possible conglomerates whose chairmen would be faced with a summons to appear at the prosecution are Hanbo, Hanyang, Sunkyong and Dongbang, according to prosecution sources.

The sources said that business leaders, if found to have been involved in No's secret funds, may be indicted on charges of bribery or violating the law governing political funds.

Most large businesses have put off their business and investment plans for next year and personnel changes, only cautiously watching the ongoing prosecution investigation.

They have scaled down their investment programs slated for later this year and early next year for fear of a prolonged probe into the slush fund scandal.

The expanded and prolonged secret fund investigation is also dealing a heavy blow to cash-strapped small- and medium-sized companies.

Smaller firms are facing growing difficulty in raising funds as both the financial community and the private money market are reluctant to provide money because of the secret fund scandal.

Financial experts even predict a chain bankruptcy among smaller companies, in particular those based in provincial areas.

The Korea Federation and Small Business and the Federation of Korean Industries (FKI), which represent the interests of small and large businesses, respectively, are calling for the government to work out measures to help solve the chronic financial difficulties facing smaller firms.

"As large companies are not in a position to provide financial supports to smaller firms right now, the government should produce measures, including a cut in interest rates or an expansion of loans to smaller firms," said an FKI official.

Meanwhile, the FKI said yesterday that it will hold an emergency meeting of business leaders tomorrow to talk about the slush fund scandal.

Choe Chong-hyon, chairman of the FKI who is now in the United States, proposed the meeting, according to an FKI spokesman. Choe, who also serves as chairman of the Sunkyong Business Group, is to return home today and will preside over the emergency meeting.

At the meeting, the FKI is expected to express its position on the slush fund scandal and adopt a resolution calling for an early end to the prosecution's probes into the secret fund scandal which, it believes, is feared to deal a serious blow to the national economy.

Prosecution Releases No After 16-Hour Session

SK0211005095 Seoul YONHAP in English 0040 GMT 2 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 2 (YONHAP) — The prosecution released former President No Tae-u at 2:20 AM Thursday morning after questioning him for 16 hours and 20 minutes in connection with the "secret fund" scandal involving him.

The prosecution apparently failed to find any significant clues from No's testimonies as he refused to give detailed answers to key questions,

No, emerging from the Prosecutor-general's office building, told waiting reporters, "All the responsibility rests on me and I once again apologize deeply."

But he looked haggared as he left the building and moved unsteadily to his car after posing for cameras briefly, reeling toward his former chief bodyguard Choe Sok-rip as soon as he entered the vehicle.

He arrived at his home in Yonhui-dong 17 minutes later and was then helped into the house by his bodyguards.

The former president was said to have replied, "I don't know," "I can't answer," and "I can't remember" to most questions about how he collected political funds and from whom, where he used them and whether he stashed some of it in a foreign country.

He reportedly told his interrogator that he had received 500 billion won from several businesses as "donations," not as bribes or kickbacks in return for any favors.

Meanwhile, the prosecution soon plans to summon business tycoons suspected of having given money to No for questioning and will call the former president in again if any of these interrogations reveal that the money they gave him were bribes, not donations, officials said Thursday.

Papers Comment on No's Appearance at Prosecutor's

SK0211063295

[FBIS Editorial Report] Seoul vernacular dailies on 2 November carry editorials and an article commenting on the prosecution's summoning and questioning of former

ROK President No Tae-u on 1 November to investigate the "secret fund" No allegedly created while in office.

The conservative CHOSON ILBO carries on page 3 an 800-word editorial entitled "Suspect Mr. No Tae-u." The editorial notes No Tae-u was the first president in ROK history who appeared at a prosecutor's office in connection with irregularities he allegedly committed while in office, and says, "This is not only his misfortune but the country's dishonor and an object of national indignation." Then the editorial stresses, "What we should do from now is to establish the ethical foundation commensurate with our efforts for economic development. To do this, we should remove the filthy waste material in the structure of collusion among the political parties, the government, and business circles." The editorial then urges No Tae-u to confess everything he knows in connection with the secret fund, including the details of the funds he assisted with in the presidential election in 1992, how they are related with President Kim Yong-sam, Mr. Kim Tae-chung, Mr. Kim Chong-pil, the ruling and opposition political circles, and business circles.

The moderate HANGUK ILBO carries on page 3 an 800-word editorial entitled "The Political Circles Should Also Repent." The editorial begins by noting "national misfortune and tragedy" as the people witnessed former President No Tae-u being summoned and appearing at the prosecutor's office in connection with the fraud he committed while in office, and says, "Since this represents the country's crisis and the crisis of politics, all politicians should deeply repent." The editorial then maintains, "If former President No Tae- u truly repents, he should give a detailed disclosure of the property hidden away by his wife and relatives as well." The editorial then concludes by suggesting the enactment of laws to prevent recurrence of frauds of the country's president and politicians receiving illegal secret funds or political funds.

The left-leaning HANGYORE SINMUN carries on page 3 an 800-word editorial entitled "'Former President' and the Legal Judgment." The editorial notes that the people are more filled with indignation and criticism than curiosity and sympathy looking at former President No Tae-u appearing at the prosecutor's office. The editorial then notes that all the previous ROK presidents met with the people's resistance because of their dictatorship, coup d'etat, and massacre of innocent people, except Mr. Yun Po-son and Mr. Choe Kyu-ha who had no real power. The editorial then compares No Tae-u to former Philippine President Marcos and former Indonesian President Scarno for amassing wealth illegally, and concludes, stressing, "The important thing is that President Kim himself should make public the precise details of the political fund connected with Mr. No to demonstrate clearly that the investigation is not a political operation aimed at benefiting the ruling force."

The moderate CHUNGANG ILBO carries on page 3 an 800-word article by reporter Yi Yong-taek entitled "Mr. No's Illegal Amassment of Wealth—Details of Prosecution's Investigation." The article notes the report leaking from the prosecution authorities which investigated No Tae-u on 1 November at the prosecutor's office in Seoul, and says, "The prosecution intensively questioned No as to how the secret fund of 500 billion won was obtained, from which businesses, when, and for what purpose he received the fund, and whether he received the fund in return for a special benefit for the businesses, such as the Yulgok project. But Mr. No is reported to have repeated his statement of apology to the people on 27 October, and whenever the prosecutor's questions turned more specific demanding details, No is said to have refused to respond with such words as "I cannot remember, "I do not know," and "I cannot tell you."

No Tae-u's 'Slush Fund Scandal' Discussed

SK0211041795 Seoul THE KOREA TIMES in English 2 Nov 95 p 3

[Commentary by city editor Pak Mu-chong: "Ex-Pres. Turns From Hero to Zero"]

[FBIS Transcribed Text] The nation was shamed by No's appearance at the prosecutor's office yesterday. For the first time in constitutional history a former president has been summoned in connection with suspected criminal acts while in office — in this case, the accumulation of exorbitant wealth through illegal means.

The so-called "slush fund" scandal has been literally the talk of the town in the past 10 days and is certain to continue to outpower any other news story for the time being.

Back in 1988, No Tae-u was the darling of the nation, his obtaining the people's support for his rise to power through the now almost forgotten "June 29 Declaration for Democratization" in 1987. As the president of the host country, he declared proudly the opening of the nation's biggest-ever extravaganza, the Seoul Olympics, which contributed to the reconciliation of East and West leading to the eventual ending of the Cold War.

The successful sports festival in this part of the globe, however, saw a world sports idol's meteoric fall. Sprinter Ben Johnson was so triumphant in the 100-meter dash, eclipsing the then world record holder and arch rival Carl Lewis.

Soon, the hero was zero. He was disgraced for taking anabolic steroids. That's all. His career ended.

No, who was the first organizing committee chairman of the summer Olympics, has now followed suit, although Johnson may ask how No's wrongdoing could be compared to his.

The ex-general, allegedly responsible for the May 18 bloody military suppression of the Kwangju citizens democratic uprising against the then military rule he was involved in along with his predecessor Chon Tu-hwan, appealed in the 1987 presidential campaign, "Please, trust me, this ordinary man!" And people did, and he betrayed them throughout his five years in office from 1988 to 1993.

He deserves the stones thrown by angry people, who could not know how to behave due to their feelings of extreme betrayal. Cynical expressions are on everybody's lips, and particularly those of the younger generation, who are not able to figure out instantly how astronomical a figure 500 billion won is.

Tuesday was the annual Savings Day, and those who live diligent and frugal lives were cited for their efforts to put their money in the bank even under difficult circumstances.

But the winner of the day should have been greedy No Tae-u. He has put such a lot of money in the banks.

Some people quip that No is not a "man with a big liver" but one whose whole body is made of liver because he so boldly stole such a lot of money while in office.

People expect that the ex-president's alleged criminal acts will be dealt with strictly in accordance with the law, and indications are that the law enforcement authorities will do so, although it is ridiculous for some key post holders in the ruling party to openly declare their former boss will be punished in a court of law after being arrested, as if they were spokesman for the law enforcement authorities.

Not to mention the people's furor over the shameful incident, virtually all politicians, irrespective of their political affiliation, are all out to condemn the immoral behavior of the former president, once the supplier of their political funds, calling for a thorough investigation in chorus.

But who can throw the first stone? The people might, but politicians do not seem to be qualified to do so.

Nobody will believe that the politicians, particularly in the ruling Democratic Liberal Party which No, Kim Yong-sam and Kim Chong-pil created through the sensational merger of their conflicting parties in 1990, did not receive money from No.

President Kim Yong-sam is flatly asserting that he has never received a single penny (as political funds) since he took office in February 1993. The problem is that more than 70 percent of the people do not believe this.

About three months ago, people saw much ado about nothing in a summer night's dream. State prosecutors concluded that there existed no secret No Tae-u fund as alleged by a top aide to President Kim, Sok Sok-chae who was immediately axed for his bombshell remark that No had 400 billion won in slush funds.

Why should a Cabinet minister and Kim's loyal henchman who raised such a grave issues be fired so hurriedly? The dismissal means that he did something wrong.

Did the government and law enforcement authorities not know about the existence of No's dirty money at that time? They were again confronted by the issue thanks to the disclosure by an opposition lawmaker.

So's words are proving true, and he should be rewarded now.

It was really bizarre for the prosecutors to close the case at that time.

For his own part, the disgraced ex-president apparently lost an opportunity to regain his honor a little bit. He should have voluntarily appeared before prosecutors to tell the whole story before he was called in.

What more could a man who had served as president of South Korea want? He has nothing to lose any more. To make public everything will be a way not to die twice.

Paradoxically, he may contribute to reducing bribery which is still rampant among officials despite the much-touted reform will of the current civilian government.

By the way, the 500-billion-won slush fund scandal provides the momentum the nation needs if it really wants to regain its honor in international society.

Economic Activities Reportedly 'Wavered' in Sep

SK0111084695 Seoul YONHAP in English 0712 GMT 1 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 1 (YONHAP) — Economic activities wavered somewhat in September with industrial production growth sliding for the second consecutive month.

But economic expansion is expected to continue through year's end, while the fear of a manpower shortage remains unresolved as the unemployment rate remained at its lowest level for the fifth straight month.

According to a National Statistical Office report on the trends of industrial activities in September Wednesday, industrial production grew 11.4 percent over a year ago, while the third quarter registered a rise of 13.1 percent over the same period last year.

By sector, production in heavy and chemical industries in September gained 15.6 percent from the same month last year while it declined 1 percent for light industries. The third quarter's rate for the former grew 18.2 percent, while the figure for the latter shrank 0.3 percent, showing a polarizing trend.

The industrial production growth rate this year, which registered 19.5 percent in February, dropped to 10 percent in June and then recovered to 14.9 percent in July. The growth rate declined to 13 percent in August and further down to 11.4 percent in September for the second consecutive month.

The office's Statistics and Survey Bureau Director-General Cho I- kap commented, "With an increased inventory of some commodities like small cars and computers, manufacturing activities showed some adjustment. But as industrial production has kept a healthy growth rate of over 10 percent, it is inappropriate to think that business has begun to recede."

Since industrial production growth maintained an adequate rate of 7-8 percent during the third quarter, Cho predicted, "The nation's economic expansion is expected to continue at least until the end of the year."

The manufacturing operational rate averaged 82.7 percent in September, up from the 82.2 percent recorded the previous month. For the third quarter, the average manufacturing operational rate was 82.1 percent, slightly down from the first half of the year.

Machinery imports recorded a 17.8 percent increase in September and a 23 percent rise in the third quarter, a sharp drop from the 39.9 percent growth registered in the first half of the year. This reflects a gradual decrease in facility investments on the part of enterprises.

Wholesale and retail sales increased 6.5 percent in September over the same month last year and gained 7.1 percent in the third quarter over the like quarter a year ago.

The unemployment rate, which registered 1.9 percent in May, the first 1 percent level recorded in the country since the survey of industrial activities was launched in August 1962, remained at 1.8 percent for June and July and 1.9 percent for August and September.

Influenced by the sluggish production, September's leading index, a measure of business activities in the coming two to three months, increased by only 0.1 percent, while the coincidence index, an indicator of current business activity, also increased by a mere 0.6 percent.

Burma

Vietnamese Minister, Delegation Depart Rangoon

BK3110152395 Rangoon Radio Myanmar in Burmese 1330 GMT 31 Oct 95

[FBIS Translated Text] The visiting delegation from the Socialist Republic of Vietnam led by Interior Minister Bui Thien Ngo left by air this morning after paying a goodwill visit to Myanmar [Burma].

The delegation was seen off at Yangon [Rangoon] International Airport by Lieutenant General Mya Thinn, home affairs minister, Colonel Tin Hlaing, deputy home affairs minister, and responsible personnel.

Lao Minister, Group Depart Rangoon 30 Oct

BK3110081595 Rangoon Radio Myanmar in Burmese 0630 GMT 31 Oct 95

[FBIS Translated Text] The Lao military delegation led by Lieutenant General Choummali Sai-gnason, defense minister of the Lao People's Democratic Republic, accompanied by Brigadier General Saw Lwin, director of Military Training; Lao Ambassador Mr. Ly Bounkham, and responsible personnel visited the Shwedagon Pagoda yesterday morning. The delegation offered candles and lamps, paid respects, signed the visitors' book, and presented donations.

The Lao military delegation led by Defense Minister Lt. Gen. Choummali Sai-gnason departed Yangon [Rangoon] by special plane at 1030.

The delegation was seen off at Yangon International Airport by Lt. Gen. Min Thein and Brig. Gen. Myo Thant, ministers of the State Law and Order Restoration Council Chairman's Office; responsible personnel from the Defense Ministry and the Foreign Ministry; Lao Ambassador Mr. Ly Bounkham, and embassy officials.

Burmese, Thai Companies Form Yangon Airways

BK0211094695 Rangoon Radio Myanmar in Burmese 1330 GMT 1 Nov 95

[FBIS Translated Text] A bilateral agreement signing ceremony to form Yangon Airways Limited between the Ministry of Transport's Myanmar [Burma] Airways and Krong-Sombat Company Limited of Thailand was held at the International Business Center on Prome Road, Yangon [Rangoon], at 1400 today. Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC] attended the ceremony.

Transport Minister Lt. Gen. Thein Win delivered an address at the ceremony. Later, Thura U Win Myint, managing director of Myanmar Airways, and Mr. [Sombat Khrungdip], managing director of the Krong-Sombat Company, delivered speeches and signed and exchanged the agreement forming Yangon Airways Limited.

Next, Transport Minister Lt. Gen. Thein Win presented the Myanmar Investment Commission's license and permit to the managing director of the Krong-Sombat Company.

A dinner to commemorate the signing was held at the Mya Yeik Nyo Royal Hotel in the evening and it was attended by Lt. Gen. Tin Tun, SLORC member and deputy prime minister, cabinet ministers, deputy ministers, departmental heads, guests, and responsible personnel.

SLORC Soldiers' Defection to KNPP Reported

BK0111161695 Oslo Democratic Voice of Burma in Burmese 1430 GMT 31 Oct 95

[FBIS Translated Text] Dear listeners, Maung Zaw, our Democratic Voice of Burma reporter, sent the following dispatch from a certain place at the Thai-Myanmar [Burma] border.

Private Aye Min, Personal ID No. 838653, Pvt. Thein Win, Personal ID No. 920399, and Pvt. Hlaing Myint, Personal ID No. 959063, from the SLORC [State Law and Order Restoration Council] Defense Services' Light Infantry Regiment No. 102 defected on 2 September to the Karenni National Progressive Party [KNPP] controlled Kauk Kauk regional camp, with two BA-63 automatic rifles and one BA-64 automatic rifle .

The defectors said that SLORC commanding officers mistreat the soldiers, are corrupt, and also force underage children, women, and old people to work as porters for the military. The soldiers who defected also said they witnessed the arbitrary execution of some porters.

They decided to join the revolutionaries [KNPP] because they could not tolerate the mistreatment by the commanding officers and they rejected the SLORC soldiers' abuse of their own people. They also said that there are many SLORC soldiers who want to join the revolutionaries or to desert.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Decides To Attend Osaka APEC Summit

BK0111144095 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 1 Nov 95

[FBIS Translated Text] Datuk Sri Dr. Mahathir Mohamed, the prime minister, has confirmed that he will attend the upcoming APEC [Asia-Pacific Economic Cooperation] summit in Osaka on 19 November.

[Begin recording] [Mahathir, in English] I have decided to attend the Osaka meeting, and the decision was reached after we 'have received reports from our officials and ministers who attended the preliminary meetings, and they seem quite satisfied with the preparation. They are happy that this time around we will not have a surprise decision, but instead we will have a properly prepared resolution which was made after consultation with everybody. So, I will be going to Osaka.

[Unidentified correspondent] What would you like to achieve there, sir?

[Mahathir] What do I have?

[Correspondent] Hope to achieve?

[Mahathir] Hope to achieve? Well, I hope to be able to speak my mind, basically, and if there is anything I don't agree, I will have to say I don't agree; and if I do agree, I will say yes.

[Correspondent] Do you think APEC has a good future, or do you think it is something that has to be done fully in agreeing with the [word indistinct]?

[Mahathir] Well, I think it should not progress towards becoming a trade bloc. We are against trade blocs. We think that all the members should be free to do whatever they like in terms of their trade with other countries. And also we still think that APEC should focus on the problems of the smaller, weaker economies rather than think exclusively about opening markets. [end recording]

France's Latest Nuclear Test Condemned

BK0211101995 Kuala Lumpur Voice of Malaysia in English 0800 GMT 2 Nov 95

[FBIS Transcribed Text] France's latest nuclear test in the South Pacific is outrageous and a mockery of its commitment to nonproliferation. In yet another strongly worded statement, the Foreign Ministry underlined Malaysia's condemnation of the first test in two months undertaken by the French in Mururoa Atoll in the face of the overwhelming international opposition and widespread protests.

While Malaysia welcomes France's announcement that it will sign a protocol for the South Pacific Nuclear-Free Zone Treaty, the latest test raises the question of the seriousness of its commitment towards the disarmament.

Malaysia also called on the French to refrain from further tests and also urged them to contribute positively to international disarmament efforts to realize a nuclear weapons-free world.

Malaysia also asked them to pursue a stronger commitment to the goals of disarmament and the ultimate elimination of nuclear weapons through a program of reduction and elimination of their nuclear arsenal.

Minister Stresses Tech Transfer in Arms Purchase

BK3110041495 Kuala Lumpur THE STAR in English 30 Oct 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Taiping — The Government prefers to buy arms from countries which transfer their technology to Malaysia, Deputy Defence Minister Datuk Dr Abdullah Fadzil Che Wan said.

He said the Government did not have any policy to buy arms only from traditional suppliers.

"We will buy arms from any country, but they must help us set up at least a factory to produce parts for the weapons," he said at a Deepavali muhibbah [Indian festival] dinner in Simpang on Saturday night.

"We do not mind buying arms from East Europe or South Africa," he said, adding that the Government was keen about transfer of advanced arms technology to Malaysia.

Abdullah Fadzil said the ministry wanted to equip its army well to make it on par with those of neighbouring countries.

The army would be given priority to buy new equipment under the Seventh Malaysia Plan, he said.

"The navy and the air force had acquired new warships and fighter planes to replace their aging equipment," he said.

Under the plan, the army would have its own air wing comprising transport planes, light aircraft and helicopters.

"We may also buy tanks," Abdullah Fadzil said.

Singapore

Trade With Vietnam Reported Rising

BK0211052195 Singapore BUSINESS TIMES in English 2 Nov 95

[Unattributed report; all figures in Singapore dollar unless specified — received via Internet]

[FBIS Transcribed Text] Singapore remains one of Vietnam's top trading partners, with two-way business rising 27 per cent to $2.38 billion in the first nine months of this year.

As in the past nine years, the trade balance remained in Singapore's favour.

Its exports to Vietnam totalled $1.87 billion while its imports from Vietnam was $511 million between January and September, the Trade Development Board said.

Average growth in trade of 25 per cent a year has helped Singapore emerge as one of Vietnam's top trading partners.

Two-way trade in 1994 was $2.7 billion — a 26 per cent rise from $2.2 billion in 1993.

Singapore's exports to Vietnam last year totalled $2.03 billion, while its imports from Vietnam totalled $687.7 million.

Crude oil is the single biggest item in Vietnam's trade with Singapore and its other major trading partner, Japan.

Vietnam has no refineries and must ship its output to Singapore and Japan for refining.

Singapore narrowly overtook Japan in 1990 to become Vietnam's biggest trading partner. In that year, Singapore-Vietnam trade touched $1.3 billion, while Vietnam-Japan trade was US$794 million [Singapore dollar] (S$1.1 billion).

Two years ago, Japan overtook Singapore as Vietnam's top trading partner. Vietnam is expected to announce the new rankings at the end of the year.

Although Singapore-Vietnam trade began in 1954, the volume was small until a few years ago. Total trade rose from just US$50 million in 1982 to US$306 million in 1989.

Besides crude oil, Vietnam's exports to Singapore are scrap iron, handicrafts, agricultural products, coffee, rubber and seafood.

Its imports from Singapore include petroleum products, fertilisers, and electronics and consumer goods.

With bilateral trade gaining in importance, trade and investment opportunities between the two countries will be discussed at a seminar on Vietnam organised by the Singapore International Foundation and the Export Institute of Singapore, a division of the Trade Development Board, on Nov 21 and 22.

Cambodia

Armed Intruders Clash With Thai Border Force

BK3010121895 Hong Kong AFP in English 1015 GMT 30 Oct 95

[FBIS Transcribed Text] Ta Praya, Thailand, Oct 30 (AFP) — About 20 armed Cambodians clashed with Thai soldiers following an attempt to take a stolen truck back across the border into Cambodia, Thai border officials said Monday.

The Cambodian intruders traded heavy gunfire with the Thai border force for 30 minutes at dusk Sunday but were forced to retreat by the firepower of two armored vehicles, the officials said.

No casualties were reported on either side, they said.

The firefight occurred after Thai troops went to inspect a pick- up truck that had been abandoned in a wood 200 meters (yards) from the frontier and encountered the Cambodians.

The Cambodians were apparently waiting for delivery of the truck, which was found to have been stolen in Bangkok, the officials said.

Khieu Samphan on Current Situation

BK0211102395 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 1 Nov 95

[Interview with Khieu Samphan, prime minister of the Provisional Government of National Union and National Salvation and chairman of the National Union Party, by unidentified station correspondent; place and date not given — recorded]

[FBIS Translated Text] [Correspondent] Greetings to Your Excellency, the party chairman. In your 3 October statement, you stated that the situation is about to explode and there will be great disturbances. Since then, have any events tended to confirm your statement?

[Khieu] Yes. Hosts of national and social conflicts have now brought the hatred of our nation and people to a peak. The nation and people can no longer remain patient. If we don't struggle, we will certainly be killed. Only with a struggle can all of us and our nation survive, thereby allowing our nation, people, and race to be preserved.

I wish to point out some events that confirm these things and that will serve to inform our nation and people.

1. First of all, the compatriot peasants in villages and communes, who have been deprived of their rice fields and orchards and who have been starving, have struggled to demand the return of their farmlands, to demand rice, and to demand that the local administrators of the communist Vietnamese puppets solve their problems. The communist Vietnamese puppet administrators have, however, done nothing at all.

2. The compatriots have come and struggled in front of the two- headed National Assembly and the residences of the two-headed ringleaders in Phnom Penh. The two

heads have, however, done nothing to help solve their problems. The compatriots have shouted that the two-headed administrators are tigers, the people are calves, and the tigers are eating the calves.

A compatriot has said: I never want to be so deprived that I have to make my children and grandchildren beg and sleep on the footpaths and in the people's porches in Phnom Penh. However, since my rice fields, orchards, oxen, and buffaloes have all been stolen, where should I go? How can I survive?

The sparks of the national and social struggles have flickered everywhere, from the countryside to the cities and the provincial towns.

3. The two-headed soldiers have also successively protested in front of the two-headed National Assembly and the residences of the two-headed chieftains in Phnom Penh.

4. In Phnom Penh, the compatriot students, journalists, and political personalities have stood up and conducted all kinds of struggles according to the concrete situation. They suppressed them; they expelled MP's from the National Assembly; and they went so far as to shoot and kill a parliamentarian in the heart of the assembly hall. The situation has continued to further evolve.

The two heads are all fascist. They threw grenades at a monastery and at His Excellency Son Sann's party office, killing or wounding scores of people, including Buddhist monks. They also ordered the agents who are their goons to attack and destroy the offices of the MONEAKSEKA KHMER and SEREIPHEAP KHMER newspapers and so on.

5. There were protests staged by the masses and people in Kompong Chhnang, Siem Reap, and other provinces. Traders halted businesses by closing down their shops; they struggled in a tenacious and courageous manner to protect their rights to operate businesses and to live. Although the enemies are fascist and have ordered their police to attack and burn down their stalls and to beat and kick them, the traders continue to struggle. The events have not only happened in Kompong Chhnang but also in other provinces.

6. In Phnom Penh and provinces, prices of goods have sky-rocketed, further adversely affecting the people's livelihood.

[Correspondent] Yes. What does this situation indicate?

[Khieu] The situation indicates that the two heads are in anguish and breathing their last. The two-headed regime being in turmoil and anguish is evidence that the truth of our nation and people is now rooting out all that is demagogic, fake, and deceiving. Our nation and people are endowed with divine eyes and ears. They are able to see, understand, and judge what is good, what is bad, what is right, what is wrong, who the invaders are, who the nation- betraying and nation-selling people are, who the victims are, who the nationists are, who are resolutely staying with the nation and people under all circumstances, and who are sharing life and death as well as weal and woe with the nation and people. The truth is with our nation and people. No forces can violate or conceal this. This is absolutely impossible.

What is the truth concerning our nation and people? The truth is that the communist Vietnamese have been in Cambodia since 25 December 1978. What else? It is that Hun Sen, Chea Sim, and Sar Kheng are the puppets that the communist Vietnamese aggressors have shipped to Phnom Penh aboard their tanks; and it is that UNTAC [UN Transitional Authority in Cambodia] and the alliance colluded with communist Vietnam to sabotage the Paris accord by not controlling the withdrawal of all communist Vietnamese aggressor troops from Cambodia, ruining the Supreme National Council, destroying the four-party national reconciliation, and giving a premature birth to the two heads with the intent of using them as tools to further the communist Vietnamese war of aggression, to smash to pieces Democratic Kampuchea, and to do away with the Cambodian nation and people. What else? It is that Ranariddh is betraying the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] policy and the promise he has made to the nation and people. Ranariddh has made himself one of Hun Sen's puppets by allowing the communist Vietnamese aggressors and their puppets to eliminate FUNCINPEC and ANKI [National Army of Independent Cambodia]. It is that the two heads are betraying and selling the nation and allowing themselves to serve as the out-and-out lackeys of the communist Vietnamese aggressors and the alliance. It is that the two heads are killing the nation and people by giving unscrupulous foreigners a free hand to plunder and skin the nation and people with impunity.

The nation and people abominate and reject them and are resolutely fighting them. They support the national resistance forces that are vigorously and constantly fighting to save the nation and people. The guns of communist Vietnam and the alliance can never destroy these truths; they are now emerging into the light. It is because of these truths that the communist Vietnamese aggressors, the alliance, and the two heads, including Hun Sen — the out-and-out communist Vietnamese lackey — are in the most frightful anguish.

[Correspondent] So, what are the lessons?

[Khieu] The lessons are that:

1. One should never rely on guns and money. Guns and money are not the decisive factors in Cambodia and the world, especially in this contemporary era.

2. One should never act demagogically, manipulatively, and deceivingly. This is absolutely impossible. The Cambodian nation and people have divine eyes and ears.

3. If we do not unite to carry out all forms of tenacious and zealous struggles, national union, national reconciliation, and national unity can never be achieved. Consequently, there will be neither peace, an end to war, stability, nor happiness in our national society.

Indonesia

Religious Leaders' Forum Inaugurated in Dili

BK0111102295 Jakarta THE JAKARTA POST in English 25 Oct 95 p 1

[FBIS Transcribed Text] Dili, East Timor (JP) — Minister for Religious Affairs Tarmizi Taher inaugurated yesterday the establishment of a forum of communication and consultancy for religious leaders in a bid to restore religious harmony following the recent riots in the predominantly Catholic province.

Members of the forum consist of representatives of the Roman Catholic Church in East Timor, the local chapters of Indonesian Community of (Protestant) Churches; the Indonesian Ulema Council; the Indonesian Hindu Council; and the Dharma Buddha Foundation.

A document for the forum's establishment was signed by Father Dominggus Sequira of the Roman Catholic. Church, Reverend Maria de Fatima Gomes and Thomas Soares, both representing the local chapter of the Indonesian Community of Churches, Abdullah Sagran representing the Indonesian Ulema Council, Ngakan Gede Eka Bawa, representing the Indonesian Hindu Council and Tam Kim Yung of the local chapter of Dharma Buddha Foundation.

It was set up an in an effort to restore peace and harmony in the province following last month's ethnic riots in which many people were injured.

Minister Tarmizi Taher reminded people at the occasion that during Portuguese occupation, only 30 percent of the population adhered to the Roman Catholic faith, but since East Timor's integration into Indonesia in 1976 the figure has reached almost 90 percent of the population of 843 000.

The riots were triggered by an incident which took place inside a local prison where an official had reportedly insulted Catholic teachings.

Hundreds of migrants left the province and headed back to their hometowns following the trouble.

State Telecoms Begin Venture With Foreign Firms

BK3110004395 Jakarta THE JAKARTA POST in English 21 Oct 95 p 1

[Unattributed report]

[FBIS Transcribed Excerpt] Jakarta (JP) — Foreign companies will operate domestic telecommunication services throughout Indonesia, except for Greater Jakarta and East Java, under 15-year concessions as of January 1996.

The state-owned domestic telecommunications service PT [company limited] Telekomunikasi Indonesia (Telkom) signed joint operation contracts yesterday with five Indonesian-foreign joint ventures, which will install a total of 2,256,487 telephone lines and operate them along with existing lines.

The joint venture partners include international telecommunications carriers such as Telstra, West Inc., France Telecom, NTT, TM Communications and Singapore Telecom.

"The additional capital technology and expertise to be brought in by the foreign operators will help Telkom to become a world-class operator," noted Telkom's president Setyanto P. Santosa yesterday.

Among the joint ventures are PT Pramindo Ikat Nusantara which will install 516,487 lines in Sumatra, PT Aria West International, which will be responsible for installing 500,000 lines in West Java, and PT Mitra Global Telekomunikasi Indonesia, which will install 400,000 lines in Central Java.

The other two are PT Daya Mitra Malindo, which will install 237,000 lines in Kalimantan and PT Bukaka Sing Tel which will be responsible for installing 403,000 lines in the country's eastern region covering Sulawesi, Maluku, Irian Jaya and Nusa Tenggara.

The five projects are part of the government's program to install five million telephone lines within the current Sixth Five-Year Development S Program which will end in March 1999.

Three million of the total will be installed in the greater Jakarta area and East Java, which will remain under the management and operation of Telkom.

The contracts are estimated to bring a total revenue of Rp [rupiah] 15.25 trillion (approximately US$6.79 billion) for Telkom within the next 15 years.

The signing of the contracts yesterday was seen by analysts here as important to support the success of

Telkom's initial public offerings in New York and London, as well as in Jakarta next month.

Telkom expects to raise $2.8 billion from the triple offerings.

Setyanto said yesterday that a total of 138 parties took part last year in the preliminary selection for the contracts.

"The government then selected 12 consortia for the final tender, but only 11 of them took part," he said.

Minister of Tourism, Post and Telecommunications Joop Ave reminded the five operators yesterday of their obligation to use local products for their projects. [passage omitted on firms' shareholders]

Philippines

Ramos Says U.S. Must Maintain Asian Presence

BK0211093095 Manila BUSINESS WORLD in English 27 Oct 95 p 2

[Report by Mercedes Tira-Andrei]

[FBIS Transcribed Text] New York (Via PLDT) — The United States should continue to stay in Asia, contribute to regional stability, take part in economic competition, and fuel the growth of democratic ideals and free trade, President Ramos said in separate speeches last Wednesday before the Council on Foreign Relations (CFR) and the Asia Society.

"America must have an Asian face," he told the 40th annual black-tie dinner of the Asia Society that gathered American foreign policy makers, businessmen, diplomats and socialites.

"We fully expect America to be a continuing and stabilizing presence in Asia. It must reaffirm its position as a major player in the Asia-Pacific region," he added referring to isolationist talk rising now and then in American public opinion.

Earlier, in a luncheon address at the CFR, the president said he does not believe the US will "revert to isolationism, I believe America, as a Pacific power, will remain significantly engaged in the Asia-Pacific not out of altruism but in its own interest." He gave a four-fold path for the United States to continue in the region, namely:

— It must remain a "pillar of Asian strategic balance;"

— Economic competition between the Americans and East Asians is "not a winner-takes-all situation but one where all sides win;"

"The key to East Asia's growth has been the shift to free market economies among its democratic and authoritarian states alike," Mr. Ramos said.

"It takes two to trade. A strong American economy is as good for us in East Asia as it is for you (in the United States). We do not want an underperforming, under-trading, under-investing American economy any more than you do — if only because a weakened US economy will strengthen protectionist tendencies in the Asia-Pacific."

— Political values are as important as traditions and security concerns. "To the extent the East Asian states are able to preserve their Asian values such as family solidarity, then the world has something to learn from them," he told his Asia Society audience. "But I...also ask you here not to underestimate the power of America's democratic ideals to help shape East Asia's ideas of political governance."

— America must remain steadfast in its commitment to trade liberalization in the Asia-Pacific.

"Any dilution of American commitment will severely damage East Asia's confidence — setback its economic miracle perhaps even set off an arms race" he warned, in his remarks before CFR.

The president's speeches capped his last day in New York to represent the Philippines in the 50th anniversary celebration of the United Nations.

A founding member of the UN, the Philippines was recognized at the end of the celebration for its leadership in advancing democracy in the region and President Ramos as one of the world's human rights advocates.

Wednesday morning he participated in the human rights panel convened by UN Secretary-General Butrus Butrus-Ghali together with leaders like Czech President Vaclav Havel and Norwegian Prime Minister Gro Harlem Brundtland.

He reiterated his call for the ratification of the Convention for the Protection of Migrant Workers and Their Families and for the convening of an international conference that will look into migrant workers' rights.

Besides CFR, Asia Society and Philippine Government officials, distinguished guests who heard President Ramos's policy speeches included former US Secretary of State Henry Kissinger, former Deputy Secretary of State for Asia and the Pacific John Whitehead, former Rep. Stephen Solarz, chairman of the US House Subcommittee on Asia and Pacific Affairs, former US ambassadors to the Philippines Stephen Bosworth and Nicholas Platt, Senator & Mrs. Malcolm Wallop, the president of Tajikistan, foreign ministers of Thailand, Vietnam and Australia and more than 50 ambassadors representing Asian countries.

President Ramos shared the podium with Indonesian President Suharto at the Asia Society banquet held at the Empire Ballroom of the Grand Hyatt.

Fez-wearing Mr. Suharto, on the other hand, spoke in Bahasa Indonesia. Asia Society sides distributed the English version of President Suharto's speech.

Outside, they gave away small red fans giftwrapped with the seal of Indonesia. A huge crowd of demonstrators stood on the 42nd street entrance of the Hyatt: they were shouting "China, get out of Tibet!"

President Ramos left promptly for a flight to San Jose, California, the last stopover in America before he reaches Manila tomorrow.

Predicts Peace in Region

BK0211085895 Manila MANILA STANDARD in English 27 Oct 95 p 2

[Report by JHM]

[FBIS Transcribed Text] New York (via PLDT) — President Ramos yesterday predicted that the entire Asia-Pacific region will largely be free from war or conflict despite the South China Sea dispute and the nuclear problem in Northeast Asia.

The president made this assessment during his opening remarks at a meeting of the Council on Foreign Relations here as he wrapped up the third leg of his working visit to the US.

Mr. Ramos also disclosed that the strategy adopted by the Association of Southeast Asean Nations involves expanding its membership to include the Indochinese nations. He said the Asian is taking advantage of the peace in the region to form more political and economic groupings.

"We in Asean are using this breathing spell to incorporate all the 10 Southeast Asian countries (SEA10) into our political and economic groupings," Mr. Ramos said.

President Ramos noted that the key to East Asia's growth has been the shift to free-market economies whether in democratic or authoritarian states.

"The World Bank estimates that in five years' time, half the growth in the global economy will come from East Asia alone. And some 400 million East Asians will at that time, have average disposable incomes as high as their European or American counterparts, if not higher," the president said.

Already, the president said, US exports more to East Asia than to Europe and Latin America.

He said "since it takes two to trade, a strong American economy is as good for us in Asia as it is for you."

Ramos Welcomes Beijing's 'No Threat' Assurance

BK3010073495 Quezon City MALAYA in English 26 Oct 95 pp 1, 6

[Report by Ellen Tordesillas]

[FBIS Transcribed Text] New York. (via PLDT) — President Ramos, Tuesday, [24 October] welcomed the declaration of Chinese President Jiang Zemin that China will not be a threat to peace and stability in the Asia Pacific.

In a press conference after he delivered his speech at the Special Commemorative Meeting of the 50th anniversary of the United Nations, the president said, "I am highly comforted by his speech before the General Assembly and it confirms on the part of China their desire to be seen as peaceful and cooperative in the world community."

Jiang's speech, the president said, "also confirms very, very significantly what we have already agreed to with China which is to respect and observe a code of conduct in our bilateral relations vis-a-vis problems like our disputes in the South China Sea."

Jiang, who spoke a few hours before Ramos' turn, said, "Even when China becomes stronger and more developed, it will not seek hegemony or pose a threat to anyone."

"On the contrary," Jiang said, "China, as an important force making for the maintenance of world peace and stability, will make even greater contribution to mankind."

Jiang said, "If China, a country of nearly one quarter of world population remains underdeveloped in prolonged poverty and backwardness, that will cause serious consequences to peace and stability of Asia Pacific region and that of the world at large."

The Philippines and China together with Vietnam, Malaysia, Brunei and Taiwan are involved in a territorial dispute over the Spratly islands in South China Sea.

The most provocative action of China in recent months was the occupation of the Mischief Reef, an islet 130 nautical miles off Palawan.

In his speech before the East-West Center in Honolulu at the start of his 12-day US and Colombia trip, Ramos said China is East Asia's most serious concern.

"How China exercises its political and military clout must concern us all. The opposite possibility — of China's economic collapse and is reversion to warlordism — is, if anything, even more alarming," the president said.

Warns Against Complacency

BK0211090695 Manila THE SUNDAY CHRONICLE in English 29 Oct 95 p 10

[Report by Jerome Araullo and Jim Bilasano]

[FBIS Transcribed Text] President Ramos yesterday [28 October] said the comforting words of China that it will not threaten the growth and stability of the Asia-Pacific region should not make the Philippines and its neighbors complacent.

Mr. Ramos arrived yesterday from a trip to Colombia and New York where he attended the 50th anniversary celebration of the United Nations.

"I return comforted by President Jiang's assurances about China's desire to be seen as a peaceful and cooperative member of the global community. Still, we and our neighbors in Asia Pacific must remain vigilant about evolving developments in the South China Sea," the president said in his arrival speech at the Ninoy Aquino International Airport (NAIA).

"But the Philippines cannot be completely at ease in our bilateral relations with China until the situation in Panganiban Reef (Mischief Reef) in our Kalayaan group of Islands is completely normalized," Mr. Ramos said.

In his speeches early in his visit, the president highlighted the importance of the presence of the United States in the Asia-Pacific region to counter any threat by China.

At the meeting of the UN General Assembly, Chinese President Jiang Zemin declared that his country posed no threat on the region.

Taking relief from Jiang's pronouncements, Ramos urged for the comprehensive integration of China in the Asia Pacific community because of its rather fast expanding economy.

"Economically through the Asia economic cooperation and politically through the Asean Regional Forum (ARF), if we are to have lasting regional stability," Ramos proposed.

Mr. Ramos also announced he has sent a group of envoys to Libya to update its government on developments of negotiations with the Moro National Liberation Front (MNLF).

He said the group, which left 19 October, is composed of Ambassador Manuel Yan, Eduardo Ermita, and Nur Jafaar.

The president, the first lady together with his delegation were met by Vice President Joseph Estrada, Senate President Neptali Gonzales, Speaker Jose de Venecia, and Cabinet members led by Executive Secretary Ruben Torres.

During his 11-day trip, the president witnessed the signing of 16 business agreements with a total value of some $1.60 billion.

Agreements under negotiation amount to $1.71 billion.

Official: War 'Likely' if Rebel Talks Fail

BK0211102695 Manila PHILIPPINE DAILY INQUIRER in English 27 Oct 95 p 16

[Report by Donna S. Cueto]

[FBIS Transcribed Text] Interior and Local Government Secretary Rafael Alunan III warned that war would likely break out between Muslim rebels and government forces in Mindanao if peace talks break down in November, or early next year.

"The chilly winds of war are upon us," said a troubled Alunan at the Ninth Mindanao Sulu Pastoral Conference held Wednesday in Kidapawan, Cotabato.

He said "armed Islamists" led by the Moro Islamic Liberation Front (MILF), the Abu Sayyaf, and the "lost commands" of the Moro National Liberation Front (MNLF) have expanded their membership, intensified training of recruits in warfare, retrained their regulars and militia and acquired sophisticated weaponry.

"As we waged the peace, they prepared for war supported by underground movements operating in various parts of the globe, including the Philippines," he said.

For now, he said, the MNLF threat "appears to be contained" because of the ongoing peace talks.

"But should the talks break down in November, or if there are clear indications of a failure by early next year, it is widely believed that hostilities will likely break out," the DILG [Department of Interior and Local Government] chief said.

He identified as "primary targets" for conventional attack, guerrilla warfare and terrorism, the non-Muslim communities in various parts of the country.

"We have monitored a surge in recruitment training and weapons acquisition in the provinces being claimed in the Tripoli Agreement," he said.

But the most aggressive buildup has been that of the MILF. Given its militant religious orientation, the MILF is not expected to respect an agreement between the government and the MNLF, Alunan expounded.

There are 25,000 to 30,000 Muslim rebels in Mindanao.

"If the reported efforts to forge a united front with the anti-Sison communist forces succeed, this will give the MILF-Abu Sayyaf-NICC [expansion unknown] alliance a force multiplier with grave national implications," he warned.

To contain the rebel forces in Mindanao, military troops from Luzon and Visayas are being redeployed in Mindanao, reports said.

This is according to the arrangements made between the DILG and the Department of National Defense (DND) which have been duly approved by President Ramos.

Alunan said the Philippine National Police (PNP) has taken over many areas relinquished by the AFP [Armed Forces of the Philippines] in Luzon and the Visayas at the start of this year to allow the AFP "greater flexibility" in Mindanao.

Because of this move, the government's two security programs — the cutback of the AFP's Civilian Armed Forces Geographical Units (Cafgu), and the PNP's "Complain Pagbabago [Renewal]" — are expected to suffer setbacks. [sentence as published]

Thailand

Article Discusses U.S. Role as 'World Cop'

BK0111134395 Bangkok KRUNGTHEP THURAKIT in Thai 28 Oct 95 p 2

[Article by Phuangthong Rungsawatdisap: "From Communism to Narcotics... a New Role for the Same Old World Cop"]

[FBIS Translated Text] President Bill Clinton's speech at the 50th anniversary celebration of the United Nations in which he stressed the need to combat international drug rings, followed by a report about Thailand being one of those countries accused of allowing drug money laundering caused the Thai people, especially the mass media, to feel that it was meant as an insult to the Thai prime minister, who was also attending the UN session at that moment. It has even reduced the status of Banhan Sinlapaacha as the Thai prime minister in the eyes of the Thai people. Some newspapers even claimed that Thailand was treated like this because its national leader is the leader of a political party that has members accused by the United States of involvement in narcotics trafficking.

I disagree with that. It was not meant to make Banhan lose face. Whether the Thai leader happened to be Chuan Likphai or Anan Panyarachun, Thailand would still have had to listen to the same kind of speech and face accusations of being a country where drug money laundering was rife. This is a new theme in international politics in the post Cold War era, which the United States is adopting.

In the Cold War period, world politics were controlled by the conflict of ideology between communism and capitalism. The United States and Soviet Russia played the role of big brothers with open influence and interference over the internal affairs of small countries in their respective camps. Their interference was conducted in the form of support for resistance movements plotting to overthrow governments not to their liking. In the capitalist camp, the fear of "communist threats" helped strengthen the U.S. influence over the political, economic, and foreign policies of the Third World countries.

The Cold War era has ended with the collapse of the communist regimes in East Europe and the Soviet Union, as well as numerous problems that have plagued the internal affairs of the Soviet Russia. The United States has thus remained the single world superpower to be proud of. However, with the end of the Cold War, the magic phrase "communist threats" has lost its power. Anyway, the United States was not ready to give up its role as "the world leader," or rather "the world controller." It therefore had to look for justification for its continued interference in the affairs of other countries.

In the post Cold War era, conflicts in the world are no longer ideological but rather stem from economic competition, global or regional. It can be seen that several trade pacts have been concluded, such as GATT, APEC [Asia-Pacific Economic Cooperation], AFTA [ASEAN Free Trade Area], and NAFTA [North American Free Trade Area]. The United States sees this as a political tool in economic bargaining. For example, it threatened to boycott goods from Third World countries that are still using child labor or forced labor in manufacture. The United States resorted to those tactics for economic bargaining and for bigger trade privileges. We see that once it has got what it wants, the United States no longer cares for the question of human rights.

To replace communism, the United States has created a new "demon" that stands for international terrorism, drug trafficking, and nuclear weapons expansion. Clinton's speech made it clear that the U.S. intention is to continue as world cop in the fight against this "evil demon." Clinton called for international cooperation in order that "we shall be able to tell those criminals, terrorists, drug traders and arms smugglers that there is no place for them to go, no place for them to hide," (SIAM POST 26 October). Clinton also called on all countries to form an international network for the exchange of technology and technics in the suppression. Certainly, the new role of this world cop will not be restricted by the number of countries, as was the case in the fight against "communist threats."

Clinton speech marked the start of the selling of the "new demon" to the international community. In fact, what the United States clamored as "a danger to mankind" was simply the danger threatening the United States, a danger that is threatening the United States' "world leadership." The United States is especially being threatened by terrorism from Arab groups and by nuclear power expansion by China and North Korea.

The United States tried to project itself as being firm in the fight against narcotics trafficking. However, it has wavered from time to time in terms of principles. To cite an example: the case of Noriega of Panama. It was known long before U.S. troops were sent there to capture Noriega that this person had been serving as a CIA agent for more than 30 years. He was a big ally of the White House during the Reagan administration. The United States knew that Noriega had been involved in drug trafficking by the Cali cartel of Colombia but took no action so long as there was no problem in his relationship with the United States. Noriega rendered a big service to the White House when he passed on assistance to the ultra- rightist group, the Contras, in Nicaragua to topple the socialist government of Sandinista. When his crimes were more and more in the open, coupled with the disclosure of the Iran-Contras deal, the growing criticism of the U.S. Drug Enforcement Agency over its failure to stop the flow of drugs into the United States, the government's budget cut, and the over- publicized relations between Noriega and the White House, the Republicans could not risk losing popularity in the country. The White House under George Bush as president thought that the infamous alliance should be over. Noriega was asked to step down. But he refused. As a result, a military invasion was unavoidable.

There was an inconsistency in the U.S. list of countries targetted for allowing drug money laundering. To be correct, the United States should be on top of the list because, the United States being the biggest buyer, drug money transactions there must be huge compared with those in any exporting country. Money laundering rackets must definitely exist in the United States, or else in Switzerland (which should have been added to the list). Why has no one raised this question? Didn't the White House know about this?

It has been the case for some time that the transit route for drug smuggling from the Golden Triangle has shifted from the southern bound route via Thailand to the north, toward China, which has become more and more popular. During the Chuan Likphai administration, the Thai Government received commendation from the United States for its cooperation in narcotics suppression. The targeting of Thailand now as a blacklisted country is therefore made at the wrong time and at the wrong place. Of course, it is more difficult to play with China. The White House is thus reluctant to blackmail China now. Yet, it is always possible the drug issue will be used as a tactic in bargaining with China. We had better watch out for it.

This analysis helped us to understand why the United States has only of late attached importance to releasing the names of Thai politicians involved in drug trafficking. It is part of a new world politics game by the United States, in which Thailand plays a little role. The United States must have known a long time ago that Thai politicians were involved in the drug trade. But it did not make the accusation public earlier because at that time Thailand was a staunch U.S. supporter in the fight against communists in the region; the United States did not want to have problems with Thai politicians.

The purpose of this article is not to defend Thai politicians accused of involvement in drug trafficking; and I hope nobody will interpret my writing in that direction. This article about the new U.S. role as the world cop is an analysis about what is going to happen, and it is aimed at understanding why Thailand, a small country, has been given an important place by the United States. It has nothing to do with proving that Thai politicians accused by the United States are in the right or not. Moreover, opposition to the U.S. move through nationalistic approaches will benefit no one but will rather put our politicians in a ridiculous position. Our politicians should be condemned if the investigation shows that they are guilty. However, that does not mean the United States should be honored as universal protector. The United States never holds human rights and peace above national interests. It is not very wise to panic and to rush in amending our law for them without making an assessment in order to know where we are and what we are going to lose in this game.

Those at the White House now must be laughing themselves silly because they have made the Thai people panic just because of a few vague and ambiguous words.

Tokyo Envoy: U.S. Interested Only in Trade

BK0211054395 Bangkok BANGKOK POST in English 2 Nov 95 p 28

[Report by Nusara Thaithawat, Somphon Thapanachai, and Peter Maitri Ungphakon]

[FBIS Transcribed Text] The United States is interested only in trade liberalisation and facilitation, while disregarding the third pillar which makes up the Asia Pacific Economic Cooperation [APEC] forum — development cooperation.

This is the view of Taro Ishibashi, minister of the Japanese Embassy in Bangkok.

He told a press briefing yesterday that the United States viewed the 18-member APEC group as a means to link its economy to some of the most dynamic economies in the world.

The US also viewed APEC as a means to promote trade liberalisation multilaterally, after it has done so bilaterally to try to open markets in Japan, South Korea and other countries.

"The US is not interested in development cooperation," said Ishibashi.

Washington has strongly opposed Japan's proposal for development cooperation called "Partnership for Progress", which seeks to help build human resources needed to implement trade liberalisation and facilitation.

"We encountered a great deal of opposition," said Ishibashi, adding that the US did not want to see APEC become another donor institution.

"But they have gone a bit too far," he said, stressing that if lesser developed economies in APEC are not assisted in human resources development and establishment of such things as databases, it will be difficult for them to liberalise.

He said that Japan with the cooperation of Thailand will establish an intellectual property programme in Bangkok, after the Osaka meetings set for November 13-19.

Meanwhile, Ishibashi remained confident that time pressure will help officials from the 18 economies resolve remaining issues of comprehensiveness and the inclusion or exclusion of agriculture at the Osaka meeting, without having to put them on hold for next year's APEC meeting in the Philippines.

He warned that it would be unfair to judge the success or failure of APEC only based on these remaining issues, since the group has set up a new code of conduct to address trade and investment issues in the Asia Pacific region, the "concerted unilateral action approach," equal partnership and shared responsibility, with understanding of the differing conditions of each of the 18 economies.

This concerted unilateral action approach is a mix of Western and Asian concepts, based on mutual respect, and is non-binding and non- legalistic.

The US opposes indiscriminate liberalisation, arguing that without some reciprocal market opening, the European Union, India and other non-members would be given a free ride. The Association of Southeast Asian Nations favours non-discrimination.

On whether to include or exclude agriculture, Japan, South Korea and China have insisted that rice and some other agricultural goods are too sensitive for go beyond minor liberalisation committed at the Uruguay Round of world trade negotiations.

The US and Australia ruled out any exemption.

Because of these two issues, some countries including Thailand have come to say that APEC stands a 50-50 per cent chance of surviving Osaka.

APEC comprises Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Taiwan, Thailand, and the United States.

Meanwhile, Foreign Minister M.R. Kasemsamoson Kasemsi yesterday chaired a meeting of officials from all government agencies concerned with APEC.

The officials are meeting again today.

Prime Minister Banhan Sinlapa-acha will come to the Foreign Ministry tomorrow to be briefed on APEC.

The meeting was told that the US was still to answer Mr. Banhan's request for a meeting with President Bill Clinton at APEC. Australia has agreed, while South Korea has set November 18 in the afternoon for a meeting.

The prime minister is also seeking a bilateral meeting with host Japanese Prime Minister Tomiichi Murayama, as well as his counterparts from Brunei and Malaysia.

Unlike previous years when the foreign minister led the Thai delegation to APEC, this year it is deputy prime minister Amnuai Wirawan who is in charge of international economic affairs.

Other Thai ministers going are M.R. Kasemsamoson and Commerce Minister Chuchip Hansawat.

The Office of the Prime Minister has informed the Japanese organisers that Mr. Banhan will be accompanied by Finance Minister Surakiat Sathianthai during the informal leader's summit at the Osaka Geihinkan.

Cuba Asks Help To Get U.S. Sanctions Lifted

BK0111043895 Bangkok BANGKOK POST in English 1 Nov 95 p 3

[Unattributed report]

[FBIS Transcribed Text] Cuba wants US sanctions against it lifted and has asked Thailand for help, Foreign Minister Kasemsamoson Kasemsi said yesterday.

Speaking after Cuban Ambassador to Laos Ricardo Danza Sigas paid him a courtesy call, M.R. Kasemsamoson said Thailand had no objection to following the request, but the issue must be considered in the United Nations.

He quoted the Cuban ambassador as saying that US sanctions had been an obstacle to improving the country's economy, despite a number of foreign investment projects from other countries such as Spain and Canada.

The US slapped sanctions on Cuba in the early 1960s during the Cold War period. It has blocked Cuba from trade and receiving financial assistance.

Minister on Possible Failure of APEC Summit

BK0211065695 Bangkok THAILAND TIMES in English 2 Nov 95 p A3

[FBIS Transcribed Text] Bangkok — Foreign Minister Kasemsamoson Kasemsi yesterday threatened the Asia-Pacific Economic Cooperation (APEC) summit in Osaka could fail because of an attempt to exclude sensitive sectors from liberalizing trade and investment in Asia-Pacific.

Japan, South Korea, Taiwan, and China are tending to reject the agricultural goods sector from an action agenda for Asia-Pacific economic, trade and investment liberalization planned for the APEC summit in Osaka this month.

Kasemsamoson said the liberalizing trade and investment action agenda to be negotiated has a long timeframe before it is to be implemented, 2010 for industrialized countries and 2020 for developing countries.

Citing the newspapers, Kasemsamoson said General Motors Company faced the auto industry protection law in China.

"I think Thailand's position is to stand side by side with (the United States) in the problem (of exclusion)," he said.

The Director-General of Economic Affairs of Foreign Ministry, Kopsak Chutikun, held a meeting of the APEC National Committee yesterday.

Kopsak said liberalization principles should not exclude some sensitive sectors.

Kopsak said a so-called, "Free and Open Trade" didn't have a definition yet, and more negotiation is needed on the issue.

Kopsak said Japan as a host country could find the best solution to the disagreement.

"We made the international commitment at Bogor last year, and there should not be a withdrawal," he added.

At the APEC summit in Osaka on November 16-19, Kopsak said Banhan Sinlapa-acha is expected to talk to the leaders of Australia, South Korea, Canada, New Zealand and Chile on Saturday 18th, 1995.

APEC member countries include Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Malaysia, Mexico, New Zealand, the Philippines, Papua New Guinea, Singapore, Thailand, the United States, Japan, South Korea, and Taiwan.

Macau Seeks Support for Joining APEC

BK0211045695 Bangkok BANGKOK POST in English 2 Nov 95 p 8

[Unattributed report]

[FBIS Transcribed Text] Macau has asked for Thailand's support in its bid to join the Asia-Pacific Economic Cooperation [APEC] group, the foreign minister said yesterday.

Governor Gen [General] Vasco Joaquim Rocha Vieira yesterday paid a courtesy call on M.R. Kasemsamoson Kasemsi after signing an aviation agreement with Transport Minister Wanmuhammatno Matha.

The agreement allows both countries' national carriers — Macau Air and Thai International — to fly up to five flights weekly with a maximum of 800 seats. A date for the inaugural flight has not yet been fixed.

M.R. Kasemsamoson said he would consider the request for APEC membership seriously because of the close ties between Thailand and Portugal, but added it was an issue to be addressed Jointly by the 18-member group.

Portugal is due to return its Macau colony to China in 1999. There is currently a freeze on new membership to APEC.

M.R. Kasemsamoson said both Hong Kong and Taiwan, the other two Chinese companies, are recognised in APEC in terms of economic potential.

Li Peng Asked To Review PRC Role in Region

BK2710160095 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 27 Oct 95

[FBIS Translated Text] Reporting to newsmen about his visit to the PRC on 22-26 October, General Chawalit Yongchaiyut, deputy prime minister and defense minister, said he held discussions with the Chinese prime minister on several matters. Thailand, he said, has asked China to review its role towards the countries in this region, pointing out to China that this region's development is tied to the problem of arms buildups. The Chinese prime minister assured Chawalit that a decision to provide weapons aid will be made only when it is necessary, and not with the aim of achieving the right of sea passages from those countries, as it has been understood.

[Begin Chawalit recording, in progress] ...with all countries. China means it will not provide assistance to any of them in large quantities, but only to the extent that would enable the armies in in those respective countries to carry out their domestic missions. [end recording]

Deadlock Continues on Bridge Talks With Burma

BK0211052595 Bangkok BANGKOK POST in English 2 Nov 95 p 6

[Unattributed report]

[FBIS Transcribed Text] Border problems and the alleged murder of Burmese seamen are issues which have blocked progress in the latest bilateral talks on resuming construction of the Thai-Burmese "friendship" bridge across the Moei River, said a Third Army Region source.

Deputy Army Commander Gen [General] Chetha Thanacharo held the discussions with Burmese authorities in Mae Sot District, Tak Province, on Monday. The talks on the bridge issue, which took place for the third time, reportedly failed to produce any concrete results.

The source said Burma is still dissatisfied with reclamation work on the Thai side, which has changed the river currents, and the fact that 120 Thai stalls have not yet been removed from the bank.

The alleged murder of six Burmese seamen by Thai colleagues early in August was another factor hampering the talks, the source said.

Third Army Region Commander Lt-Gen [Lieutenant General] Thanom Wacharaphut said yesterday that the Burmese representatives at the talks were not empowered to make any decisions; therefore, Gen Chetha would have to meet with Burmese authorities at a higher level later.

"We will try to solve the issue as soon as possible but we also need cooperation from all parties concerned," Lt-Gen Thanom said.

Tak Deputy Governor Sane Chaloemphon confirmed that border problems have caused construction of the bridge, which will link Tak with Burma's Myawadi, to be halted.

The Burmese Government ordered construction, which was nearly completed, halted on June 7 this year.

To stop soil erosion on its side of the Moei River, Burma had earlier sunk stakes which changed the river currents and made them affect the Thai side. Thailand subsequently carried out reclamation work on its bank and sunk stakes which irritated Burma.

Aviation Pacts With SRV, Germany Approved

BK0211045495 Bangkok Radio Thailand Network in English 0000 GMT 2 Nov 95

[FBIS Transcribed Text] Thailand has concluded new aviation agreements with Vietnam and the Federal Republic of Germany.

The new aviation agreements were approved by the Cabinet this week. The minister of foreign affairs was entrusted to exchange diplomatic notes on the new agreements with Vietnam and Germany.

Under the aviation accord with Vietnam, Phuket in southern Thailand will be added to Vietnam's aviation route. Both sides will increase their number of flights [as heard] from 2,350 passenger seats to 2,970 a week. With the increase in the number of flights, Thai Airways International will be able to use A-300 aircraft with 10 weekly flights which can be increased to 11 or 12. Thailand asked Vietnam to support the operation of Thai Airways International in that country.

Under the aviation accord with Germany, both Thailand and Germany will increase their weekly flights to 30 with any type of aircraft. The two sides will also facilitate their immigration procedures for visitors to both countries.

Prime Minister Meets Malaysian Defense Minister

BK0111035895 Bangkok Radio Thailand Network in English 0000 GMT 1 Nov 95

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha expressed his satisfaction with the existing close and cordial Thai- Malaysian ties.

The prime minister yesteday met Malaysian Defense Minister Datuk Syed Hamid bin Jaafar Albar here on a visit to Thailand as guest of Deputy Prime Minister and Defense Minister Chawalit Yongchaiyut.

The Thai prime minister said Thailand and Malaysia have enjoyed a special relationship in economic, investment, and security cooperation. He also expressed admiration for the Malaysian Prime Minister Mahathir Mohamad who provides strong leadership for ASEAN as a whole. He said he hoped to hold consultations with his Malaysian counterpart at the Asian-Pacific Economic Cooperation, or APEC, meeting in Osaka, Japan, as well as at the ASEAN summit and the Asia-Europe summit, both to be hosted by Thailand later this year and early next year.

Prime Minister Banhan expressed his regret at not being able to visit Malaysia at the moment as he had to cope with the severe flooding in the country.

Memo on Telecom Venture Signed With Malaysia

BK0211055095 Bangkok BANGKOK POST in English 2 Nov 95 p 19

[Unattributed report]

[FBIS Transcribed Text] Samart Corporation has expanded to Malaysia with the establishment of a joint venture with Darul Laksana Sdh Bhd [Private Limited] to distribute telecom equipment.

Chanchai Charuwat, president and chief executive officer of Samart, said a memorandum of understanding was last week signed with Darul Laksana to set up Samart Malaysia Sdn Bhd.

Under the agreement, Darul Laksana will hold 51 percent and Samart 49 percent. The company will have an initial registered capital of about 1 million baht.

Darul Laksana does telecom, civil and mechanical businesses. It was given special privileges from the Malaysian government to bid in all telecom projects in Malaysia, he said.

He said cable operators are the prime prospects and Samart Malaysia will play the role of a system integrator supplier and service provider.

He forecast a high demand for satellite dishes in Malaysia.

He forecast more than 50 million baht earnings in the first year of operation and a 70 percent market share of satellite dishes.

Samart Malaysia will explore the possibility of setting up a manufacturing plant in Kedah state to produce satellite dishes and conduct studies for other ventures, said Samart Malaysia's managing director Khairuddin Abd Rahman.

He said the manufacturing plant will be in Bukit Kayu Hitam.

Firm Signs Satellite Contract With Laos

BK0211093395 Bangkok PHUCHATKAN in Thai 2 Nov 95 pp 1, 4

[FBIS Translated Excerpt] Vientiane — Sonthi Limthongkun, chairman and chief executive officer of Asia Broadcasting and Communications Network Company Limited (ABCN), signed a contract with the Lao People's Democratic Republic [LPDR] government, represented by Prime Minister Khamtay Siphandon, to jointly manage Laos' first satellite, which is expected to be put into orbit in early 1998.

According to the contract, ABCN and the LPDR government will jointly form a company, with ABCN holding 80 percent of the shares and the LPDR holding the rest, to procure a communication satellite and put it in orbit 35,786 km above the earth at a location to be assigned within 24 months by the International Frequency Registration Board of the International Telecommunication Union as requested by the LPDR Government. This will result in Laos' first satellite being placed into orbit in early 1998. The company will have the right to operate the satellite, expected to be called L- Sat, for 30 years from the date of its being placed into orbit.

As projected by the ABCN, the L-Sat will be a large satellite carrying 36 transponders, all in the KU band. [passage omitted]

Honorary Consuls for Bordeaux, St. Petersburg

BK0111072995 Bangkok Radio Thailand Network in English 0000 GMT 1 Nov 95

[FBIS Transcribed Text] The Cabinet yesterday endorsed a proposal by the Ministry of Foreign Affairs to open Thailand's honorary consulates in Bordeaux, a mjor port of France, and in Saint Petersburg, an industrial city of the Russian Federation.

The Foreign Ministry reported to the Cabinet that Bordeaux has been an important port of trade, industry, and waterways transportation. The establishment of a Thai honorary consulate in Bordeaux is essential to further Thailand's trade interest in France as the Thai Embassy in Paris is about 580 kilometers away.

Mr. Pathom Wongsurawat, French national of Thai origin, has been proposed as the first honorary consul to Bordeaux. His appointment has been approved by the Government of France.

Meanwhile, the Cabinet approved the appointment of Mr. (Yuri Kovalchuk) as Thailand's first honorary consul to Saint Petersburg, the second largest industrial center in the Russian Federation. Mr. Kovalchuk, a Russian national, is a professor in physics. He is an outstanding academic and a successful businessman.

The Cabinet also appointed (Alberto Oscar Porchovale Bustamante) as an honorary consul general of Thailand to the Republic of Uruguay succeeding Mr. (Fedor A. August), who completed his term of office. Mr. (Bustamente) is a successful executive in the tourism industry in Uruguay, well-known in the business and diplomatic sectors in that country.

Asset Seizure in Money Laundering Bill Viewed

BK2810113995 Bangkok BANGKOK POST in English 28 Oct 95 p 3

[Unattributed Report]

[FBIS Transcribed Text] Assets suspected to have been acquired illegally will be seized under the anti-money laundering bill, the Cabinet secretary-general said yesterday.

Articles 3-4 would enable the Government to promulgate a royal decree or a ministry regulation specifying that money from illegal activities be sequestrated until the owners prove otherwise, said Witsanu Khruangam.

The Office of the Narcotics Control Board has been pressing for such a measure even though the Narcotics Trafficking Prevention Act, passed four years ago, has been in force.

While that act had been effective against traffickers, it has enjoyed rather less success against money laundering.

ONCB officials might have realised the law could not cope with money laundering and so they pushed for measures deal with laundering, said Dr Witsanu.

Former finance minister Tharin Nimmanhemin, he said, had proposed 10 financial bills one of which was aimed at money-laundering bill.

As such, there would be little point in the Finance Ministry expressing reservation about the bill, he said.

However, Mr Witsanu said he understood the ministry's worries that the bill would be abused by officials to obtain confidential information about individuals from banks and jeopardise the country's liberal monetary policy.

Caution, therefore, must be exercised in the drafting of the bill and the ministry should be represented in the drafting panel, he said.

Government spokesman Somsak Prisananthakul, meanwhile, hit back at Senate Speaker Michai Ruchuphan, who drew up the bill enacted four years ago, over his criticism of the new bill.

The bill, he said, would extend to cover dirty money acquired through prostitution, contraband and other illegal activities.

Mr Somsak suggested the bill be discussed among the coalition parties to find common ground before it was submitted to Parliament.

Most coalition MPs, he said, supported this bill.

Supreme Attorney General Khanit na Nakhon also disagreed with Mr Michai. He said the Narcotics Trafficking Prevention Act covers only assets seizure but not money laundering.

An anti-money laundering law was needed to complement the act because trafficking had become a sophisticated international business that could not be dealt with by just one law.

"In America you have to reveal the source of money over $2,000 and still they cannot control laundering," Mr Khanit said.

Sano Claims Money Laundering Law 'Unnecessary'

BK3110052695 Bangkok THE NATION in English 31 Oct 95 p A5

[Unattributed Report]

[FBIS Transcribed Text] An Anti-money laundering law is unnecessary because there are already many laws which counter the crime, Public Health Minister Sano Thianthong claimed yesterday.

Sano, the Chat Thai Party secretary general, said the promulgation of such a law could mean that Cabinet members were so corrupt it was needed.

He also claimed an anti-money laundering law would affect the country's economy because foreign investors might believe Thailand was a "dirty" country.

"It is like slinging mud at ourselves. Foreign investors might not want to invest in Thailand (because of the law). So you must think carefully if you want to pass an anti-money laundering law," he said.

At present there are many laws dealing with money laundering, including anti-narcotics and criminal laws, he said. He added that the existing laws cover all activities, including drug trafficking, which would lead to money laundering.

Furthermore, politicians are kept in check by the parliamentary system and the press, and the government is monitored by the opposition, Sano said.

Asked whether the country needed anti-money laundering legislation, Sano responded: "The time is not ripe now. Under the present laws, even ants could not escape justice".

The government is currently drafting an anti-money laundering bill, after many Thai politicians, including Chat Thai executives Narong Wongwan and Watthana Atsawahem, were accused by U.S. authorities of having links to the drug trade.

U.S. President Bill Clinton recently said countries that failed to curb narcotics trafficking and money laundering could face sanctions. He did not mention Thailand, but U.S. officials reportedly claimed Thailand was on such a list.

However, the U.S. Embassy in Bangkok denied the claim and said the list did not exist.

Sano said the U.S. should not accuse Thailand of being involved in the drug trade because Thailand has attempted to suppress its narcotics problems. He called on the U.S. to take action instead against countries that buy drugs.

"We have spent a large amount of funds annually to tackle drug problems. Foreign countries should not denounce us," he said.

Sano said that although he does not agree there is a need for an anti-money laundering law, he could accept one if the concerned parties had good reason to pass it.

Senate President Comments on Drugs Suppression

BK0211093695 Bangkok Radio Thailand Network in Thai 0530 GMT 2 Nov 95

[FBIS Translated Text] The Senate president said Thailand is confident of its ability to effectively suppress the sources of narcotics production; however, the problem is that it is not in a position to direct its neighboring countries to stop their narcotics trading activities.

Senate President Michai Ruchuphan said after his meeting with the ambassador of the Republic of Colombia to Thailand before noon today that the fact that Thailand's location is adjacent to countries that are sources of narcotics means it has therefore been used as a route for narcotics trafficking and has also suffered the impact.

[Begin Michai recording in progress] ...all sides must cooperate with each other. Countries with sources that supply narcotics and those who have narcotics consumers must both give a helping hand. Second, what the [Colombian] president has proposed is that the United Nations should intervene in this area so that consultations can be made to find measures to tackle the issue. It should not allow any country to point its finger at other countries by itself. I told him that I also agree with that principle because the countries from where drugs originate have their specific problems and most of them are developing countries that lack personnel, money, technology, and so on. Therefore, the countries with narcotics consumers, which are richer, must cooperate in the suppression. [end recording]

Massive Money Laundering Schemes Exposed

BK0211070295 Bangkok THE NATION in English 2 Nov 95 pp A1,A3

[Report by Yindi Loetcharoenchok: "Share of Illicit Billions Finding Way to Political Field]

[FBIS Transcribed Text] Several hundred billion baht in illicit money is being laundered through the Thai economy, to the detriment of taxpayers and legal business, according to studies by three Chulalongkon University academics.

They have urged the government to expand the provisions of the draft anti-money laundering bill to include not only drug trafficking but also prostitution and arms and contraband smuggling.

Nuannoi Trirat, Phasuk Phongphaichit and Sungsit Phiriyarangsan, from the Economics faculty, spent six months researching information on illegal money earned in four separate areas — drugs, oil and arms smuggling and prostitution — and came up with the shockingly high figure.

The preliminary documents were first presented in late September to an academic conference organized by the faculty's Political Economics Centre.

At a briefing given to a small group of reporters Nuannoi, Phasuk and Sungsit said most of the illicit money was laundered through banking and other financial systems, the Stock Exchange of Thailand and the booming real estate and hotel industries, and some had even made its way into politics.

They strongly urged the government to widen the draft anti-money laundering bill, which was written primarily to target drug trafficking.

The bill was drafted during the previous Chuan government but lapsed automatically when the House was dissolved in May. It is awaiting introduction to Parliament.

The new government has reacted cautiously so far. Public Health Minister Sano Thianthong, a senior member of the Chat Thai Party, has strongly opposed the bill, arguing that the country already has two anti-narcotics acts which permit the seizure of drug traffickers' proceeds.

Finance Minister Surakiat Sathianthai, who is close to the prime minister, said his ministry was still studying the implications of the draft legislation on civil rights.

The United States government has been most visible in pushing for a law against money laundering. Washington had hoped the bill would be introduced to Parliament at its previous session.

President Bill Clinton, in his recent UN address, urged member countries to cooperate in moving against international crime such as drug trafficking and money laundering.

US officials have denied that the US had a list of countries which could be subject to sanctions due to lack of a money laundering law and effective enforcement.

According to Nuannoi's study, about Bt34 million was generated from marijuana trade in 1991, Bt5-9 billion a year from amphetamines, and Bt2.125 billion a year from heroin.

Her other study on oil smuggling revealed that illegal proceeds went up from Bt2.5 billion in 1991 to Bt8 billion in 1994, a three- fold increase in only four years.

The lengthy and comprehensive study by Phasuk, the Economics of Transnational Workers, estimated that total revenue generated by prostitution in Thailand is Bt450-540 billion annually, about half of the government's fiscal budget.

The figure excludes money transmitted home from Thai sex workers overseas, especially in Japan, Taiwan and Germany, and from other illegal unskilled workers abroad.

Sungsit researched illegal arms sales to the ethnic Burmese groups and the Khmer Rouge, and estimated that the former spent Bt1O-50 billion in 1992 but this had since risen to at least Bt20 billion, while the Khmer Rouge spending was Bt8-10 billion, money earned from gems and timber concessions.

He noted that most criminals were involved in more than one illegal activity and that profits from illegal weapons sales had been spread "to politicians, businessmen, military officers, and a number of civilians".

"Some of the proceeds have been used to establish bases for some politicians from the North and Northeast. These politicians are either MPs, members of provincial councils, or municipal councils. Businessmen have used the money to support politicians for their own economic benefit," Sungsit's report said.

Phasuk added during the interview that a graduate thesis about two years ago on chao pho (godfathers, local influential people) had identified the country's top 20. The list had names which now matched six of the current 49 Cabinet ministers. The six were listed as being chao pho, or having relations with or the backing of chao pho.

She said there had been an attempt to include money earned from corruption in the draft bill, because existing anti-corruption legislation was not tough enough to allow police to go after those involved.

Sungsit said the Chulalongkon group planned to conduct further studies on illicit earnings from other crimes such as illegal lotteries, and to finalize the papers already prepared for publication.

He and Phasuk jointly authored a recently-published book on corruption in Thailand.

Phasuk said it was "very easy" to launder illicit money — either put it in the stock market, buy property and condominiums, or even through real estate development.

"These criminals don't care whether the investment they put the money in will be profitable as long as the money is laundered through the process and comes up as clean money for them," she said.

The three academics said an anti-money laundering law that covers all aspects of crime would help improve the Thai economy at large and give justice and fairness in economic competition to people in legal businesses. The national image would also improve.

Sungsit said some members of the public were startled when they heard about the bill and urged their MPs to support the measure, which was aimed at "combatting economic crime".

"Innocent people, those whose activities are legal, will not be affected at all by the law. Only a few, those who have accumulated huge amounts of illicit money and power, have opposed it and argued that the legislation would hurt the economy.

"In fact, they are afraid that they would not be able to use this illegal wealth to buy votes," he added.

Phasuk and Sungsit said illegal money affected the distribution of income because the money was acquired without paying taxes, which people doing legal business could not avoid.

Nuannoi said the anti-money laundering law would create transparency in society as it would be difficult for tax evasion. However, its implementation would require cooperation from various government and private agencies, including law enforcement officers and financial and banking authorities.

Bank Official Clarifies Liberalization Policy

BK0211030695 Bangkok KRUNGTHEP THURAKIT in Thai 26-29 Oct 95 p 14

[Unattributed Report]

[FBIS Translated Text] Dr Chaiwat Wibunsawat, senior assistant governor of the Bank of Thailand, told Prachachat Thurakit that several regulations issued by the Bank of Thailand such as the capital inflow control measure, the readjustment of foreign currency status assessment, and the increase in cash reserves in baht currency bank accounts of holders with residence abroad have raised many questions about the bank's stand regarding the free financial policy. He said the central bank's relaxation or liberalization policy is aimed at providing wider areas for smooth business operations and competition by allowing more foreign financial institutions to operate in the country.

However, it is necessary for the Bank of Thailand to carefully supervise the implementation of the liberalization policy for the benefit of the people's interests and country's financial stability. Moreover, stronger competition also requires closer attention by the authorities.

Dr Chaiwat noted that various measures imposed by the central bank were designed to secure the country's financial stability. Lately, the bank has laid emphasis on the management of the risk of foreign currencies in new businesses. For example, derivative trading agencies are required to impose internal control measures. The Bank of Thailand also controls the foreign currency reserve because it can affect credit management and the country's overall economy.

He said: "Despite the lenient policy, the national bank will have to pay continuous attention to financial stability next year to prevent unfavorable mishaps such as the Baring and Daiwa incidents. Certain measures are essential to secure financial stability and eliminate the risks of exchange rate fluctuation."

Dr Chaiwat said that the International Monetary Fund disagreed with all the various measures to control capital inflow earlier imposed by national banks of many countries, for it believed that those restrictions ran counter to the financial liberalization policy. However, the IMF later came to realize that the rapid movement of capital fund had created difficulties for national banks in their endeavors to maintain economic stability and control the amount of money in circulation. Therefore, it admitted that certain measures should be applied to safeguard a country's general economy.

As for the 1996 financial policy, the Bank of Thailand will continue to perform its duties with caution. It does not believe that the country will encounter any serious economic problems that require drastic action. Some people might think that certain rules and regulations issued by the central bank in the past were too restrictive. Some commercial banks have increased their loan interest rates while the national bank is reported to be forcing them to increase their cash reserve for the baht saving accounts.

Dr Chaiwat added: "I would like to put it this way: first of all, the Bank of Thailand is satisfied with the results of the financial policy that has been implemented together with the country's economic policy. The central bank's policy is consistent and nonaggressive. Second, some commercial banks are likely to increase the MRR [preceding word rendered in English; expansion unknown] interest rates they charge small clients. This is the result of the previous month's baht saving deposits mobilization campaign to relieve the country's dependence on foreign capital."

National Bank Restriction Slows Capital Inflow

BK0111145795 Bangkok MATICHON in Thai 1 Nov 95 p 8

[Unattributed report]

[FBIS Translated Text] Siri Kancharoendi, assistant governor of the Bank of Thailand, disclosed that foreign capital continues to flow into the country, even after the short-term restrictive measure imposed by the national bank. Most of the money, however, is brought into the country directly by private companies. The inflow of such money can help solve the current account deficit problem and has no negative impact on the country's economy. Meanwhile, the amount of foreign capital funds brought into the country by commercial banks has declined since the central bank's implementation of the restrictive measure.

Siri said: "As for the rise in interest rates, we will have to find out whether it is the result of the application of the restriction on foreign capital inflow or the consequence of the current flood."

Vietnam

Togolese President Eyadema Visits 1-2 Nov

Arrives for Official Visit

BK0111161595 Hanoi VNA in English 1518 GMT 1 Nov 95

[FBIS Transcribed Text] Hanoi VNA Nov. 1. — president Le Duc Anh has accorded a state welcome to his Togolese counterpart Gnassingbe Eyadema, who arrived here this afternoon for a two-day official visit.

This is the first visit to Vietnam by a head of the Togolese state since the two countries established diplomatic ties in 1975.

The visting president was welcomed upon his arrival by Deputy Prime Minister Tran Duc Luong and other senior government officials of Vietnam.

This evening, President Le Duc Anh hosted a dinner in honour of the Togolese dignitary.

Meets With Le Duc Anh

BK0111161895 Hanoi VNA in English 1529 GMT 1 Nov 95

[FBIS Transcribed Text] Hanoi VNA Nov. 1. — President Le Duc Anh and his Togolese counterpart Gnassingbe Eyadema have agreed to promote the cooperative relations between Vietnam and Togo during the talks that took place in Hanoi later today.

Also at the talks, the host president informed the visiting president of the initial achievements the Vietnamese people have made in the renovation process as well as in carrying out the foreign policy of independence, self-reliance and diversified and multilateral relationship set forth by the Communist Party.

'These achievements have helped improve the people's living standard and paved the way for gradual national industrialisation and modernisation in the time to come,' Le Duc Anh told his guest.

President Gnassingbe Eyadema spoke highly of the Vietnamese people's achievements and expressed his admiration for Vietnam's economic development in recent years which has helped Vietnam to become the third world largest rice exporter from a rice importer.

'As members of the Non-Aligned Movement (NAM), coupled with their bilateral political coordination, Vietnam and Togo will work for closer economic and commercial cooperation for the benefits of the two countries,' the visiting president stressed, adding: 'Togo will promote its multifaceted cooperation with Vietnam, first of all the cooperation in agriculture and water conservancy.'

Concludes Visit

BK0211083595 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 2 Nov 95

[FBIS Translated Text] This morning, 2 November, Togolese President Gnassingbe Eyadema and his wife visited and laid wreaths at the Bac Son Fallen Soldiers Monument and President Ho Chi Minh Mausoleum. Later, the Togolese President and his entourage visited the Army Museum and a number of establishments in Hanoi.

This afternoon, the Togolese President left Hanoi, concluding his official friendship visit to Vietnam. President Le Duc Anh attended the farewell ceremony for the Togolese President at the Government Guest House.

On this occasion, Vietnam and Togo signed a framework agreement on economic, trade, scientific-technological, and cultural cooperation. President Le Duc Anh and his Togolese counterpart witnessed the signing ceremony.

Vice President Receives Japanese Executives

BK3110161495 Hanoi VNA in English 1437 GMT 31 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct.31 — Vice State President Nguyen Thi Binh received here this morning a 21-member team of Japanese corporate executives who arrived here on Monday for an inspection tour.

The delegation, led by Mr Toshio Ishihara, president of Toei Insurance Agent Company, includes representatives of 20 companies from Nagoya in central Japan, and of the Kyodo News Service and Tokai Broadcasting and Television Agency.

Speaking to the Japanese guests, Vice President Nguyen Thi Binh applauded the Japanese businessmen and media workers' goodwill to promote the friendly and cooperative relations between the two countries. She briefed her guests on Vietnam's economic development policy and stressed the Vietnamese people's determination to pursue the renovation and open-door foreign policies.

The head delegate expressed his admiration for the Vietnamese people's achievements in political stabilization and economic construction and his wish that the Vietnam visit would be a good opportunity for Japanese corporations to seek measures for effective cooperation with Vietnam.

Vo Van Kiet Issues Instruction on Smuggling

BK0111080195 Hanoi VNA in English
0638 GMT 1 Nov 95

[FBIS Transcribed Text] Hanoi VNA Nov. 1 — Prime Minister Vo Van Kiet has just issued instruction No.701/TTG on the fight against sea-borne smuggling, stressing that it has a negative influence on the socio-economic development as well as national security and defence.

The prime minister instructed related ministries, branches, provinces and cities to draw up plans and take tough measures to fight against smuggling, especially sea-borne smuggling, considering it as an important task in the 1995-1996 period. The General Director of the Vietnam General Department of Customs has to coordinate with the Ministry of Defence, the Ministry of the Interior, the Minister of Trade, and other related ministries and branches together with provincial and municipal people's committee chairmen to carry out the instruction.

In order to carry out the instruction, the Ministry of the Interior has organized a meeting of policemen in six northern central provinces (from Thanh Hoa to Thua Thien Hue) to discuss and coordinate anti-smuggling measures.

Interior Ministry Holds Conference on Smuggling

BK0111102595 Hanoi Voice of Vietnam Network
in Vietnamese 2300 GMT 31 Oct 95

[FBIS Translated Text] In the city of Cua Lo in Nghe An Province, the Interior Ministry held a conference on 31 October with police from six northern and central provinces from Thanh Hoa to Thua Thien-Hue to discuss measures to suppress smuggling by sea, in accordance with the prime minister's instruction.

The conference reviewed the situation on smuggling and the results of suppression work. It discussed measures and plans to effectively suppress smuggling by sea. They include measures to propagate and mobilize the people to positively participate in the struggle against smuggling, to detect smugglers, and to strengthen coordination between sectors, forces, and localities to resolutely counter smuggling. The conference also discussed ways and means to seriously deal with smuggling cases and with those who cooperate with smugglers in their own interests.

Drug Trafficking, Abuse Increasing 'Sharply'

BK2810133095 Hanoi VNA in English
1248 GMT 28 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct.28 — Drug trafficking and drug abuse has increased sharply in many parts of Vietnam, said Deputy Minister of the Interior Le The Tiem, stressing: "There have been signs that Vietnam has becomes a venue of drug trafficking and abuse from the Golden Triangle to other parts in the region and the world as a whole.'

Addressing a conference held in Hanoi yesterday to review the drug control and prevention in the 1993-95 period, Major General Le The Tiem, who is also head of the Drug Control and Prevention Committee of the Interior Ministry, said:

"By October this year, 3,788 drug trafficking and abuse cases had been uncovered, 13,284 criminals arrested, 4,680 kilos of opium, 82.2 kilos of heroin, 2,415 kilos of marijuana and an additional hundreds of kilos of related narcotics substances were confiscated."

"In October alone, 1,006 cases were discovered, 2,452 drug traffickers and abusers were arrested and 697 kilos of opium and 29.75 kilos of heroin confiscated," he added.

Mr. Tiem told the conference that sustained efforts have been stepped up to this effect, saying: "2,818 cases have been brought to trial involving 3,794 accused, representing 25 percent of the total cases uncovered. Eight people were sentenced to death, 19 others to life imprisonment, 132 people tried received between 10 and 20 years in prison, and around 3,000 others received sentences between 7-10 years' imprisonment or lower".

Minister Attends Urban Development Seminar

BK3110080995 Hanoi VNA in English
0653 GMT 31 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct. 31 — A national seminar on a strategy for an urban development consultancy, the second of its kind, was held here yesterday by the management board of the projects known as VIE/94/006 and TA 2148-VIE.

Attending the seminar was Minister of Construction, Mr. Ngo Xuan Loc, and representatives of the northern, central and southern cities. Representatives of the United Nations Development Program (UNDP) and the Asian Development Bank (ADB), were also present.

The two projects are technically assisted by UNDP to fully prepare conditions before considering the implementation of development schemes and policies on Vietnam's urban system management, sponsored by the ministry of construction.

After five months of deployment, participants of the projects have worked out a preliminary draft strategy for urban development and organised seminars on the strategy for development in some regions. They have also accessed the real situation of municipalities in Vietnam and made proposals for some macro-level question, such as policies, laws and mechanisms, as well as some technical areas, such as scheming,processes and principles of standardization of construction.

At the seminar, managers and specialists in urban planning focussed their discussion on problems relating to the big cities, such as Hanoi and Ho Chi Minh City.

Do Muoi Meets Officers of 3d Military Zone

BK0111080295 Hanoi VNA in English
0621 GMT 1 Nov 95

[FBIS Transcribed Text] Hanoi VNA Nov. 1 — The Third Military Zone should do its best to firmly safeguard the national independence and territorial sovereignty and to maintain peace and stability of the motherland, Party General Secretary Do Muoi told zone commending officers recently.

Mr. Do Muoi, in his speech delivered at a meeting with officers of the Military Command of the Third Zone on the occasion of its 50th anniversary (Oct. 31), stressed that 'the 3rd Military Zone must build itself into a regular, elite unit and develop its glorious tradition in order to successfully accomplish these heavy tasks.'

Party General Secretary Do Muoi was former political commissar of the Armed Forces of the then 3rd Inter-Zone (now the 3rd Military Zone) which embraces most of the Red River Delta provinces and the northeastern region of Vietnam.

Major General Nguyen The Tri, commander of the zone, informed the party leader of the military command's achievements and tasks underway, particularly the implementation of the national policy on military training, fighting spirit and building the people's national defence and security.

Hailing the 3rd Military Zone, which is part of the Vietnam People's Armed Forces, Party General Secretary Do Muoi noted that the soldiers and people in the zone have creatively and dynamically carried out reform initiated by the Communist Party of Vietnam over the past 10 years. Their achievements recorded in national defence, and in the cultural, economic and social fields in the zone have constituted a worthy contribution to the national construction and economic development, Mr Do Muoi said.

The Vietnamese Party leader also called at the history museum of the 3rd Military Zone which has been conferred the Golden Star Order, the country's highest distinction, and the Ho Chi Minh Order.

Do Muoi Receives French Ambassador

BK3110151995 Hanoi VNA in English
1437 GMT 31 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct.31 — General secretary of the Communist Party of Vietnam Do Muoi today received newly- accredited French Ambassador to Vietnam Gilles D'Humieres who paid him a courtesy visit.

Ambassador G. D'Humieres expressed his pleasure at the recent development of the two countries' relations and affirmed France's policy to preserve and develop the time-honoured Franco-Vietnamese friendship and to support the Vietnamese people's national construction.

Party General Secretary Do Muoi hoped that the French ambassador would make a practical contribution to consolidating and developing the friendship and multifaceted cooperation between the two countries, as well as encouraging French businesses to invest more in Vietnam in the interest of each people and for peace and stability of nations in the world.

The party leader asked Ambassador G. D'Humieres to convey his best regards to President Jacques Chirac and Prime Minister Alain Juppe.

Assembly Vice Chairman Interviewed on Civil Code

BK3110152695 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 29 Oct 95

[Interview with Phung Van Tuu, Vietnamese National Assembly vice chairman, by an unidentified correspondent; place and date not given—recorded]

[FBIS Translated Text] [Correspondent] We know that the National Assembly recently passed the Civil Code, which contains seven parts, 33 chapters, 54 sections, and 834 articles. This is the largest legal code of our country. First, could you please outline the significance and the importance of the Civil Code to our socioeconomic life?

[Phung Van Tuu] The Civil Code has long been awaited by the people. It is true that this is an important law. Of course, all laws are important, but the Civil Code has distinctive significance. It is not because it contains over 800 articles—though this is the largest legal code ever passed by our state—but because of its contents. I might say that the contents of the Civil Code are comprehensive and cover a wide range of issues with regard to the daily lives of every citizen. As mentioned in the foreword and in Article No. 1, this is a law that creates legal guidance and regulates the daily activities of every citizen. The enforcement of this legal code will help our society to adopt a new lifestyle that is democratic and governed by law.

The code addresses not only the rights but also the responsibilities of not only individuals but other legal entities and organizations as well.

The Civil Code relates not only to the people in the country, but also to Vietnamese living in foreign countries. There are articles in the Civil Code covering civil relationships established in Vietnam between local and overseas Vietnamese nationals or with foreigners living in Vietnam. The code also stipulates relationships involving foreign elements. Hence, the primary significance of the code is the broad social impact, and it will create conditions for a civilized lifestyle, encourage the exercise of citizens' democratic rights, and preserve social order and discipline at the same time.

In economic terms, I can say that the Civil Code has confirmed seven forms of ownership based on the three ownership models stipulated by the Constitution. It clearly defines property ownership issues and the different types of ownership rights of organizations and entities. The code also covers civil relationships, civil liability, contracts, and other common activities in social life. It will help make civil interaction more dynamic, thus stimulating positive contributions to the development of the multisectorial merchandise economy with the management of the state. So the economic significance of the civil code is essential.

I would like to refer to the example of our farmers. We have millions of farmers, and the Civil Code does address the issue of the transfer and inheritance of land use rights, and so forth, which are very common and essential to the lives of our farmers. This is also a current issue of concern to many people.

In addition to its significance in the economic and social areas, the code also has provisions related to other areas, such as culture, science, and also issues that used to be regulated by decrees, such as author's rights, technology copyrights, technology transfer, and so forth. These issues have been upgraded from the subject of decrees to those of law. These provisions serve as an encouragement to people who work in literature, arts, science, and also journalism.

In terms of science, with these provisions we move closer to common world practices in science. In the cultural field, the first part of the Civil Code stresses the issue of developing our fine traditions in light of personal identity rights in a harmonious relationship with the traditions of unity and mutual assistance.

[Correspondent] As the person who chaired all the discussion sessions on the Civil Code in the conference hall, what has impressed you most?

[Phung Van Tuu] I am deeply impressed by our highly democratic working method. The National Assembly deputies had many opinions, which were raised during the many days of discussion. They were later studied, and then brought back for further discussion and changes. That shows our highly democratic working attitude. Another special point is that the deputies' opinions were especially profound. The law drafting agency has also been very serious in accommodating the deputies' suggestions. That is why the discussions took many days, but the Civil Code was approved by an overwhelming majority.

[Correspondent] Following the official approval by the National Assembly, what do you think the relevant ministries and sectors—especially the Justice Ministry—should do to bring the Civil Code into the social life for the interests of the people as a whole?

[Phung Van Tuu] Now that the law has been passed, on the one hand, all state agencies should review all existing regulations to find out and change the regulations that conflict with the code; on the other hand, there are issues that need further concrete explanations and details, which lay within the responsibility of state agencies.

Another important task is to make the people understand the Civil Code, and I think the Justice Ministry should set up a plan to effectively implement this task. I also think that we cannot rush and complete this task once and for all. This issue requires both a short-term plan to disseminate the most essential information of the code and a long-term plan, because a long rain allows water to absorb better. We should even bring the code into schools, mass organizations, and so forth, and choose to disseminate the right subjects to the right target groups in a careful way in order to ensure practical results.

[Correspondent] Thank you.

More Trade Unions Formed in Private Sector

BK3010072995 Hanoi VNA in English
0632 GMT 30 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct.30 — The Vietnam General Confederation of Labour (VGCL) has set up trade union organisations in more than 600 non-state businesses so far this year, bringing the total to 2,800, accounting for over 11 percent of the total businesses in the non-state sector.

The VGCL plans to help employees at 400 more non-state businesses form trade union organisations in the rest of the year.

The achievement is modest but very important for the urgent task of establishing trade unions in non-state businesses to help protect employees' rights and interests. It is not an easy task when almost all employers refuse to have trade unions set up in their establishments while employees only know a little about laws and the role of trade union organisations. The absence of trade union organisations is one of the reasons leading to spontaneous strikes in the country, especially in foreign-invested enterprises.

Almost all the strikes resulted from employers' violations of labour laws.

A report from the VGCL reveals that the country has so far this year witnessed 40 strikes, 15 strikes more than in 1994, mostly in establishments without any trade union organisations. Ho Chi Minh City alone accounted for 20 cases. Most recently, more than 20 employees at the Hoang Gia Footware Company, a joint venture between a Vietnamese private unit and a Taiwanese partner in the southern province of Song Be, refused keep working. They put the blame on the directors who pressed employees to work on night shifts or as long as 16 hours a day without granting any overtime pay, applied the piece-work payment system with unprecedented-high quotas instead of the contractual salary system, and disbursed severe fines in a casual and illegal way.

All the strikes were investigated by inter-sectoral trade union teams. Investigations showed that employees at several foreign- invested enterprises have been paid even lower than those working for domestic establishments but they have much more work to do than the latter. Worse still, living costs increased by 14.4 percent in 1994 and 11.7 percent in the first nine months of this year, while the exchange rate of the US dollar against the Vietnam Dong decreased slightly. Employers took advantage of employees' inadequade awareness of labour laws, signing many labour contracts unfavourable for employees. One of the 'popular phenomenon' is the signing of seasonal or three-month contracts under which employers have to pay employees minimum salaries or apprenticeship allowances as required by law, possibly refusing to grant social, medical and labour accident insurance to employees as stipulated by labour laws.

Also worthy of note are the unqualified cadres who join the leadership of joint-venture enterprises, but fail to protect the Vietnamese employees from maltreatment by foreign employers.

To settle the problem, the VGCL, while trying to set up more grassroots trade union organisations, has proposed that the government issue sub-laws, providing specific clauses to levy administrative fines on those who deliberately violate labour laws and other relevant laws of Vietnam, and to train Vietnamese managers in joint ventures who must be qualified in all relevant areas and be responsible for protecting the rights of employees.

Other remedial measures are an increase to the present minimum salary rate of USD 30 per month, shortening the minimum salary payment period, reducing the number of minimum salary earners, and helping employees raise their awareness of relevant laws.

Progress in Autumn Rice Crop Harvest Reported

BK3110080395 Hanoi VNA in English
0626 GMT 31 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct.31 — Farmers throughout the country had by Oct. 25 harvested nearly 973,000 ha of autumn rice, or 36.5 percent of the area under rice cultivation, according to the Ministry of Agriculture and Rural Development.

Northern provinces accounted for 694,500 ha, representing 55 percent of the cultivated area,including 341,000 ha by Red River Delta provinces.

Meanwhile, 351,000 ha of winter food crops have been planted, representing 90 percent of the plan, with an increase in maize acreage of 32.6 percent.

At the same time, southern provinces were harvesting early autumn rice, summer-autumn subsidiary food and industrial crops, and preparing for the 1995-96 crop.

Also according to the Ministry of Agriculture, the area under rice cultivation has increased by a further 140,000 hectares in 1995, with 20,000 new hectares in An Giang Province alone.

With the assistance of new technology, the expansion of cultivated land and especially the use of new rice strains with higher yields, the output of cereals may reach more than 27.4 million tonnes. This represents an increase of 1.4 million tonnes compared to 1994.

The total amount of rice is expected at nearly 25.5 million tonnes harvested from 6,738,000 hectares. Furthermore, due to the expansion of cultivated land, 13 provinces have fulfilled their 1995 target of more than 1 million tonnes. An Giang, Can Tho, Dong Thap and Kien Giang provinces reached 2 million tonnes.

Economic Problems in Mountainous Areas Outlined

BK3110160695 Hanoi VNA in English
1424 GMT 31 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct. 31. — Vietnam has 14 provinces which lie totally in mountainous regions, of which nine are on the highlands, 23 partly mountainous provinces. The mountainous areas of Vietnam have 4,000 km of common border with China, Laos, and Cambodia. They cover a total area of 23 million hectares or three-fourths of the country's land [words indistinct] the land in the mountainous areas are covered by forests.

The mountainous provinces are inhabited by 24 million people or one-third of the national population. They have great potentials in forestry, industrial trees, livestock breeding and mineral resources.

The party and Government of Vietnam have issued many policies of preferential investment in development of the mountainous areas. But the socio-economic situation has not improved noticeably. The economy, especially in the border and remote areas, remains backward. In many areas of ethnic minorities, primitive monoculture is still prevalent. Many ethnic minorities still live on fruit picking. Even the cultivation of industrial trees which should have been a major advantage of the mountainous areas has not developed and has even dropped in many localities. In fact, the areas under tobacco, aquilaria, coffee and rubber are shrinking in many provinces.

At present, about 3 million people of ethnic minorities in mountainous areas still live a nomadic life and the number tends to increase.

In particular, the infrastructures like schools, roads, medical centres, hospitals and hydro-electric power stations are frequently damaged by natural disasters.

Per capital GNP in mountainous areas is only USD 150 a year and even lower in several places. The gap in the living and cultural standards between the mountainous and delta areas is widening. In many mountainous provinces half of the population are rated very poor which means not enough food for three or four months in a year. Food shortage, illiteracy, disease, polluted environment are now urgent problems to be addressed.

Australia

Export of Spent Nuclear Fuel to UK Planned

LD2710164095 Melbourne Radio Australia in English 0900 GMT 27 Oct 95

[FBIS Transcribed Text] The federal government has decided to ship overseas some of Australia's spent nuclear fuel. Industry Minister Peter Cook says research reactor spent fuel from the Nuclear Science and Technology Organization, stored at Lucas Heights in Sydney, will be shipped to Britain for reprocessing. The government has decided to reduce the current inventory and has authorized ANSTO [as heard] to negotiate the terms for shipping spent fuel to the United Kingdom origin back to Britain [as heard]. The material, of United Kingdom origin, makes up about half of the Lucas Heights holdings, the rest is of United States origin. The government will pursue the same process with the United States once Washington completes an environmental assessment into the resumption of spent research reactor fuel shipments.

Government: Major Can Expect 'Hostile Response'

BK2910071395 Melbourne Radio Australia in English 0500 GMT 29 Oct 95

[From the "ABC News Update" program]

[FBIS Transcribed Text] Amid growing anger at Britain's support of French nuclear testing, Prime Minister John Major says France is simply fulfilling its responsibility as a nuclear power and taking the best scientific advice. The Australian Government says Mr. Major can expect the hostile response at next month's Commonwealth Heads of Government Meeting. The campaign against nuclear testing groups says it is hopeful the international pressure will be brought today on Britain over its stance on the testing.

Canberra 'Irritated' by Major's Stand on Tests

MS0111120495 London INDEPENDENT in English 1 Nov 95 p 12

[Report by Robert Milliken: "Major Faces Grilling at commonwealth Summit"]

[FBIS Transcribed Text] Sydney — John Major's defence of France's nuclear tests in the Pacific is likely to provoke an onslaught against Britain at the Commonwealth Heads of Government meeting in Auckland, New Zealand next week. With the Queen in attendance as head of the Commonwealth, Britain looks like being isolated and embarrassed.

Australia and New Zealand will lead moves to condemn France and China for their continued nuclear tests. Britain's earlier refusal to oppose the French tests, saying they were "a matter for the French government", irritated Canberra and Wellington, which felt let down by London's disinclination to indicate any sympathy for its old Commonwealth friends over an issue which has prompted protests throughout the Pacific.

But Mr Major's public defence of the tests when he met President Jacques Chirac on Monday, three days after France had exploded its third nuclear device in eight weeks, provoked criticism of Britain across political lines in Australia yesterday.

One of the Labor government's most senior ministers Bob McMullan, trade and acting foreign minister, said: "If Mr Major is of this view, perhaps he should contact Mr Chirac and organise for the next tests to be conducted under the English Channel... But we shouldn't let this detract from the main game. Australia's primary aim is to mobilise international opinion against the French tests. Australia has the overwhelming majority of support on this from other Commonwealth countries."

John Howard, leader of the opposition conservative Liberal- National coalition, said: "Mr Major has weakened the international effort to persuade France to stop the tests in the face of growing world anger at the French, even from within Britain. Mr Major fails to understand the hostility in Australia and among Pacific nations to the French tests. In New Zealand, he will discover the extent of anger within the Commonwealth."

Alexander Downer, opposition spokesman on foreign affairs, said: "His comments show an insensitivity to the Australian people. He has shown no understanding of the growing desire of the world to be rid of nuclear weapons... Blood ties for Australia and New Zealand have counted for little. It's a case of water is thicker than blood."

Jim Bolger, New Zealand's Prime Minister and host of the Commonwealth summit, had been hoping to steer a conciliatory course after meeting Mr Major and Mr Chirac at the United Nations 50th- anniversary session last week. But Mr Major's defence of Mr Chirac has dashed any hopes Mr Bolger had of averting a row.

Officials in Canberra and Wellington expressed dismay yesterday that Mr Major could have gone so far on the eve of a summit to be held in a country which has been a prime mover against the French tests. The British stand is likely further to weaken relations with the old Commonwealth countries now it has apparently demonstrated again that it places membership of the EU and the nuclear club ahead of Commonwealth concerns.

Mr Major's decision will also put the Queen in an awkward position in Auckland, particularly as she may face protests from New Zealanders angered by the Anglo-French nuclear alliance.

Government Urged To 'Change Tack' on East Timor

BK3110080895 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 17 Oct 95 p 14

[Editorial: "New Effort Needed by Indonesia"]

[FBIS Transcribed Text] The news from East Timor in October 1975 that five journalists had perished in suspicious circumstances during the invasion of that tiny nation shocked Australians. But few, other than hard-core opponents of the Indonesian annexation, would have predicted that 20 years later the murder of those men would still be poisoning Australian-Indonesian relations. If it was not for those killings the plight of East Timor may well have faded from the political radar screen in Australia which, after all, was amid seeing out the Whitlam Government in the most dramatic of circumstances.

But the sad end for those men became the focal point for opposition to the Indonesian act and confirmed the more general concern Australians had of its populous northern neighbour — human rights were not a high priority. East Timor has become THE issue between Australia and Indonesia. In fact so long as East Timor remains a festering human rights sore, relations between the two countries can never be fully developed. Mr Keating may want to - certainly his predecessors did. But the Australian public's visceral commitment to human rights will not allow it, as its abrupt rejection of General Mantiri's appointment as ambassador proved.

Yet policy-makers in Canberra should stop agonising on the Indonesians' behalf. East Timor is Jakarta's problem. And it is one that it must move to solve before it becomes the human rights pariah of Asia. The situation is so bad that it continually threatens to undermine sensible relations not just between Indonesia and Australia, but between Indonesia and the United States and even some European nations.

It is crucial that Jakarta finally faces up to the fact that its attempts to repress internal opposition are not only an extreme abuse of human rights, but simply doomed to fail. If its current approach is maintained the situation, far from being resolved, will continue to deteriorate.

Unfortunately, the Australian Government has done far too little to get this message through to its Indonesian counterpart. Symptomatic of this is the way in which, on the 20th anniversary of the killing of the five Australian journalists, it continues to be accused of doing insufficient to uncover the cause of their deaths. What's more, instead of taking an unequivocally strong stand on human rights it has been far too willing to sacrifice this for the sake of maintaining good relations with Jakarta. Given Indonesia's strategic and, in the longer run, economic importance for Australia, this desire is understandable.

The trouble is, the method adopted to ensure good relations has not only been wrong in principle but has been counterproductive. There can be no compromise over the need to champion human rights, particularly the universal right to individual liberty. Such rights should never be traded off for economic or strategic advantage.

If Australia had taken this strong stance it would not only have placed itself firmly on the moral high ground, it would have sent a clear message to Asia's new elites that this country doesn't believe in profit at any price.

Some members of these elites may not agree with this approach; many, however, would respect Australia for making a stand on what are arguably the central tenets of Western liberal democracy-tenets which quite a few in Asia find highly desirable.

The pity is that Australia, by adopting a disappointingly equivocal stance on human rights in East Timor, has not only failed to champion the liberal democratic tradition, it has failed to do enough to help Indonesia help itself.

The result has been a response to East Timorese resistence which has been ham-fisted, unsophisticated and, in many cases, brutal. It has also been unsuccessful.

The time has come for Indonesia to make a new effort to resolve a situation which is not only unjust but which, until it is corrected, will continue to damage Indonesia's relations with the rest of the world, including Australia.

Instead of continuing to try to repress opposition Indonesia has to try to work with the East Timorese in an effort to reach a compromise. This may involve a degree of self-rule; at the very least it will bring East Timorese representatives properly into the decision-making process.

Achieving this goal won't be easy; it may prove to be impossible. Indonesia, however, needs to make a genuine and sustained effort to reach a compromise rather than continuing to impose its will by force. What's more, a similar ethos should govern its approach to Irian Jaya.

The Australian Government, rather than continuing to act as an apologist for the current repressive policies, should change tack.

By pushing Indonesia to respect human rights it will not only be championing a just cause, it will maximise the chance of Indonesia seeking a negotiated compromise rather than continuing with its policy of brutal domination.

Evidence Needed To Prove Arrival of War Criminals

LD3110103795 Melbourne Radio Australia in English 0900 GMT 31 Oct 95

[FBIS Transcribed Text] Federal Immigration [and Ethnic Affairs] Minister Nick Bolkus says the government is doing all it can to prevent war criminals from the former Yugoslavia entering Australia. Danuta Kozaki reports Australia's Bosnian Muslim community has alleged that war criminals of Bosnian Serb background are slipping through Australia's immigration net.

[Kozaki] Dr [word indistinct], an executive member of the Bosnian Council of New South Wales, yesterday told a federal parliamentary committee that some community members had spotted alleged war criminals in various capital cities throughout Australia. Senator Bolkus today says he has not heard any direct evidence from the Bosnian community and says Australia has one of the best checking systems in the world. The immigration minister says hard evidence, rather than speculation, is needed.

[Bolkus] I'm keen to ensure that if there are any allegations and any evidence, then we pursue it. It's not good enough to say that so-and-so might have been spotted at a supermarket or that we saw someone who might have been a war criminal at a supermarket and that's it. We need to have some pretty good evidence on which to base our assessments.

Security Chief Criticizes Media Revelations

LD0111155995 Melbourne Radio Australia in English 0830 GMT 1 Nov 95

[FBIS Transcribed Text] Australia's internal security organization has warned of the dangers posed by religious extremists with links to the Middle East and the Indian subcontinent. The Australian Security Intelligence Organization, ASIO, has also pointed to the dangers posed by foreign spies seeking to steal classified information which could be used to build weapons of mass destruction. Along with those warnings, a deputy director-general of ASIO criticized Australia's media for being arrogant in revealing secret information. From Canberra, Graeme Dobell reports:

[Dobell] Unlike the intelligence community in the United States, Australia"s spycatchers rarely make public appearances, so this speech on security and government by an ASIO chief drew plenty of media attention.

Mr. Gerard Walsh argued that the looser and more uncertain international relationships in the post-Cold War world meant Australia's geography was no longer sufficient protection from ethnic and religious conflict.

[Begin Walsh recording] We are having to focus more sharply on the activities of some extremist groups with links to the Middle East and the Indian subcontinent. The concern of some Islamic extremists has previously been highlighted by ASIO and it has to be noted, regretfully, that the encouraging success of the peace process in the Middle East has not met with universal approval. Some are committed to undermining the process itself, to reversing the developments and to sowing mistrust among the parties. The linking of political, religious, territorial, and imperial aims into one cause makes an inflammatory cocktail and some are moved to drink it. [end recording]

Mr. Walsh said Australia could face threats from its own homegrown extreme groups — nationalist militias, neo-Nazis, and Christian extremists — but the top spycatcher said Australia also faced what he called insidious and damaging intrusions by hostile intelligence officers seeking to steal high-technology information.

[Begin Walsh recording] In some cases their aim is to help develop nuclear, chemical, and biological weapons, which collectively are known as weapons of mass destruction. ASIO's initial response has been to help counter these activities by monitoring the activities of foreign intelligence agents and advising on the movements and activities of potential proliferators of weapons of mass destruction. We have also increased our appreciation of the aims and methods of the foreign intelligence services involved. In consultation with other agencies, we have put together an industry awareness program, aimed at explaining how potential components or information relevant to weapons of mass destruction can be misappropriated for improper purposes and to the detriment of Australia. [end recording]

The deputy director-general of Australia's Security Intelligence Organization said 85 percent of Australia's security problems had their origins overseas, but Mr. Walsh said it was fatuous to imagine that all national security dangers were solely of foreign origin. He said that a number of people had been killed in Australia because of the real or mistaken belief that they were ASIO agents. And that led to an attack on Australia's media for revealing secrets which, Mr. Walsh said, could put lives at risk.

Walsh: Threat From Rightwing Christian Extremists

BK0111065095 Melbourne Radio Australia in English 0100 GMT 1 Nov 95

[FBIS Transcribed Text] The Australian Security Intelligence Organization [ASIO] says rightwing Christian extremist groups pose a security threat to Australia. The deputy director general of ASIO, Gerard Walsh, has told a national security conference that Australia needed to be specially vigilant in a lead-up to the Sydney Olympics in the year 2000.

He said this was because so-called doomsday groups see the end of the century as the end of the world. He specifically mentioned the rightwing Christian extremist group, the Loyal Regiment of Australian Guardians, which was found to have links in the Defense Department. Mr. Walsh said such groups have more access to explosives.

[Begin Walsh recording] A rifle which will knock off a rabbit or a wild pig can equally kill a human being. The difference is that we have seen several instances of such people coming into possession of large quantities of explosives whether of a commercial sort or components which, with high school science, can be converted into home-made explosive. [end recording]

Cogeneration Plants Reflect New Technology Trend

BK3110080495 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 18 Oct 95 p 26

[By Peter Roberts]

[FBIS Transcribed Text] Some in the electricity industry are beginning to ask whether electricity is about to undergo a revolution every bit as fundamental as that which is sweeping telecommunications.

Both industries have long ago passed through their youthful phases and were considered rather mature with growth rates below the general economy. Telecommunications deregulation was a key in unleashing new technologies and in opening up business opportunities undreamed of only a few years ago.

Electricity is starting to look a little similar with deregulation and a host of new technologies coming together in ways we can only guess at today.

Already in the United States there is talk of convergence between the telecommunications and electric industries similar to the recent blurring of the boundaries between computers and communications.

The deregulated electricity industries of the future are going to be highly dependent on electronics and software to monitor and control the production, distribution and consumption of power.

Already, generation systems are being linked by sophisticated fibre-optic communications systems to harmonise their electricity output and balance ever-larger grids.

In a technique known as loadsmoothing, generators have the technology available to transmit information down electricity lines to cut off consumers or even switch off individual appliances if demand gets too high. As for consumers, the technology exists for smart electricity meters which could interrogate competing generators and switch from one to the other to get a better price.

Just as telecommunications is a totally new industry, electricity will also change and become part of a wider energy industry with inputs from coal, gas, hydro, wind and solar sources. Emerging new generating technologies include large-scale ceramic fuel cells.

In Australia, this trend is suggested by the rush to develop cogeneration plants which use gas to generate electricity and steam for industrial use. The surplus electricity is sold. Until recently cogeneration systems tended to be installed by large users of steam such as heavy industry and major hospitals.

Now four systems to generate up to 1,000MW of power are underway or planned by private companies that will run them in their own right, selling the power and steam to third parties.

Already under construction is a $175 million gas-fired plant at Smithfield in western Sydney which will be capable of producing 160MW of power and 2,000 tonnes of steam a day from late 1996.

Owned and operated by Sithe Energies Australia, the plant will provide steam to Visy Paper, a division of Pratt Industries, while power has been sold to distributor Prospect Electricity under a 30-year agreement.

BHP Petroleum will provide the gas for the new station, initially buying from AGL before switching to its own gas in 1998 when its pipeline reaches Sydney from Victoria.

Construction has also begun on a 116MW plant at Kwinana in Perth to supply BP, while commitments have been obtained for a 180MW plant at Osborne in Adelaide to supply Penrice Soda Products.

Sithe Energies is also planning a 600MW project at Gibson Island in Brisbane, possibly to supply Incitec and Visy Paper.

Electricity deregulation has played a part in these projects, but so too has the freeing up of the gas market and emerging new technologies.

The new cogeneration systems generally generate steam to supply gas turbine generators, with exhaust gases reused in separate boilers to produce steam.

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